

2006 HOME OPERATIONS MANUAL

Tennessee Housing Development Agency
Community Programs Division



The Tennessee Housing Development Agency is committed to principles of equal opportunity , equal access, and affirmative action.
Contact THDA EEO/AA, ADA Coordinator (615/741-1106; 615/532-2894, TDD; 1-800-228-THDA), for further information.

CHAPTER ONE

GENERAL PROGRAM REQUIREMENTS

1. INTRODUCTION

- 1.1 The HOME Investment Partnership Act was approved on November 28, 1990 as Title II of the Cranston - Gonzalez National Affordable Housing Act. The program provides Federal funds to state and local Participating Jurisdictions to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing units and through tenant-based assistance. The purpose of the program is to expand the supply of decent, safe, sanitary and affordable housing for low and very low-income households. The State of Tennessee has chosen to focus its HOME program on homeowner rehabilitation projects, homeownership activities, and acquisition, rehabilitation and/or new construction of rental housing projects.
- 1.2 The State of Tennessee operates the HOME program through local governments and non-profit organizations. This manual is designed to provide information about how to implement a HOME program at the local level. Each section describes each task needed to accomplish a HOME project. The supporting materials include samples of forms, documents, letters and file checklists.
- 1.3 The HOME program is governed by Title 24 Code of Federal Regulations, Part 92, as amended. Those regulations are incorporated by reference in this manual. The federal regulations take precedence over any material presented in this manual.

2. ELIGIBLE ACTIVITIES

- 2.1 **REHABILITATION** - For purposes of HOME, rehabilitation is defined as any construction work to an existing structure. For the 2006 HOME program, rehabilitation subsidies are capped at \$25,000 per unit for all rehabilitation hard costs, plus soft costs and the costs required to treat lead paint hazards. This cap would not apply to instances of reconstruction. If a risk assessment indicates there is no lead present in a given house, THDA will consider a request to exceed the \$25,000 limit on the cost of the rehabilitation of the unit. If a risk assessment indicates the presence of lead, THDA will consider a request on a case by case basis to exceed the \$25,000 limit which requires abatement.
- 2.2 **CONVERSION** - Conversion of an existing structure from an alternative use to affordable, residential housing is an eligible activity and is considered rehabilitation. If conversion involves additional units beyond the walls of an existing structure, the project will be deemed new construction. Conversion of a structure to commercial use is not eligible for HOME funds.
- 2.3 **RECONSTRUCTION** – Reconstruction is rehabilitation for purposes of the HOME program. Reconstruction is defined as rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot

may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. The reconstructed housing unit must be substantially similar (i.e., single or multi-family housing) to the original housing.

Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. However, replacement of a manufactured housing unit with a stick-built unit is considered new construction and is not homeowner rehabilitation. It can be considered an eligible activity only if all of the requirements for homeownership, including the affordability period and the resale/recapture provisions are met.

- 2.4 **NEW CONSTRUCTION** - New Construction is defined as (1) newly built projects; (2) existing projects which involve the addition of new units outside the existing walls of the structure; and (3) property completed within a one year period prior to commitment of HOME funds. Property completion is measured from date of initial certificate of occupancy.
- 2.5 **HOMEOWNERSHIP PROGRAMS** - Under homeownership programs, THDA encourages the use of THDA mortgages or comparable financing whenever possible. The proposed permanent financing must be at an interest rate which does not exceed the prevailing THDA Great Rate by more than two percentage points. All loans must have a fixed interest rate fully amortizing over the term of the loan. There can be no pre-payment penalty for early payoffs.

Before construction or acquisition and rehabilitation can begin under homeownership, all units must have qualified buyers pre-approved for a permanent loan. No speculative construction or acquisition is allowed. However, lease purchase is permitted if necessary. In addition, all buyers must complete a homebuyer education program prior to purchase. The sales limits for homeownership programs are the same as the property value limits for homeowner rehabilitation programs (see Attachment IV: Property Value Limits in Chapter 10 - Homeowner Rehabilitation).

2.6 **HOMEOWNERSHIP PROGRAMS BY CHDOs**

1. *Construction financing* - An up front source of funds (without interest costs) to build affordable, new single family units for sale to low income households. The CHDO must be the owner, sponsor or developer of the project. At the time of permanent financing the HOME funds are repaid to the CHDO and are treated as CHDO proceeds. The CHDO proceeds must then be used for other affordable housing activities.
2. *Acquisition and rehabilitation* - HOME funds are used to acquire existing units and to provide the necessary rehabilitation for resale to a low income household. At the time of permanent financing the HOME funds are repaid to the CHDO and are treated as CHDO proceeds. The CHDO proceeds must then be used for other affordable housing activities.
3. A CHDO must leave up to \$14,999 of HOME funds with the unit as a soft second mortgage as necessary to qualify the household at the time of permanent financing.

4. *CHDO Operating Expenses and Developer's Fees* - A CHDO may request up to 7% of the grant as CHDO operating expenses to help with the administrative costs of operating a housing program. This is an administrative cost separate from project costs. A CHDO may also claim as a project soft cost an 8% developer's fee *if the CHDO is acting as a developer of housing*.
 5. *CHDO proceeds* – The first time HOME funds are repaid to the CHDO, the CHDO may use an additional 15% of the CHDO proceeds for operating expenses (7% for administration and 8% developer's fee). The rest must be used to develop more housing. Once the CHDO proceeds are used a second time, the HOME restrictions on the use of proceeds are eliminated. There is, however, a cap of 25% on the amount of CHDO proceeds that can be used for operating or administrative expenses and the CHDO must submit audited financial statements annually that the 25% cap has not been exceeded. (This policy applies retroactively to existing CHDO proceeds as well as the 2006 and future HOME programs).
- 2.7 **HOMEOWNERSHIP PROGRAMS BY CITIES, COUNTIES AND NON-PROFIT ORGANIZATIONS (non-CHDO)** - Homeownership programs are restricted to soft second mortgages as necessary to qualify the household for permanent financing.
 - 2.8 **SPECIAL NEEDS HOUSING** – New construction, acquisition and/or rehabilitation of special needs housing, including transitional housing, single-room occupancy housing and group homes, for persons with a physical, emotional or mental disability.
 - 2.9 **TRANSITIONAL HOUSING** – Housing that is designed to provide housing and appropriate supportive services to persons, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children. In addition, transitional housing has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the participating jurisdiction or project owner before occupancy.
 - 2.10 **GROUP HOME** – Housing that is occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one bedroom units) separate private space for each household. Supportive services may be provided. A group home is generally a large single-family unit, and is considered a one-unit project.
 - 2.11 **SINGLE ROOM OCCUPANCY (SRO)** – Housing consisting of clearly identifiable separate dwelling units that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by the tenants.
 - 2.9 **ACQUISITION OF PROPERTY** – The acquisition of real estate must be undertaken only with respect to a particular housing project intended to provide affordable housing.

- 2.10 **MANUFACTURED HOUSING** – (92.205(a) (4)) Purchase and/or rehabilitation of a manufactured housing unit qualifies as affordable housing only if, at the time of project completion, the unit:
1. Is connected to permanent utility hook-ups;
 2. Is located on land that is held in a fee simple title or long-term ground lease with a term at least equal to that of the appropriate affordability period; and
 3. Is set upon a continuous block foundation or upon permanent piers with footings and underpinnings;
 4. Must comply with the Tennessee Manufactured Home Anchoring Act, TCA Sections 68-126-401 through 68-126-410;
 5. Meets the construction standards established under 24 CFR 3280 if produced after June 15, 1976. If the unit was produced prior to June 15, 1976, it must comply with applicable State and local codes.
- 2.11 **LIMITATIONS TO REHABILITATION OF MANUFACTURED HOUSING** – HOME assistance will be limited to a maximum of \$10,000 for single-wide units (multiple width units will be evaluated and pre-approved by THDA on a case by case basis). The \$10,000 limit does not apply to the replacement of substandard manufactured housing units under reconstruction, however, replacement must also be pre-approved by THDA.
- 2.12 **SELECTIVE ELIGIBLE ACTIVITIES** – Several activities can be funded with HOME funds only when conducted in conjunction with the above listed activities. They are:
1. *Acquisition of Vacant Land* – Acquisition of vacant land using HOME funds must be undertaken only with respect to a particular housing project intended to provide affordable housing.
 2. *Site Improvements* – Must be “in keeping with improvements to surrounding standard projects”. Costs of utility connections are included.
 3. *Demolition* – Demolition using HOME funds must be undertaken only when the intention is to replace a unit with affordable housing and in accordance with Barney Frank 104(d) requirements.
 4. *Laundry and Community Facilities* – Costs to construct or rehabilitate laundry and community facilities can be undertaken with HOME funds only in conjunction with the new construction or rehabilitation of multifamily rental housing. The laundry and community facilities must be located within the same building as the housing and be for the use of the project residents and their guests.

3. PROHIBITED ACTIVITIES

- 3.1 **INELIGIBLE PROPERTIES** – HOME funds cannot be used for assistance on any of the following properties: Public housing; Properties not cleared through an Environmental Review; Properties receiving Rental Rehabilitation Program funds; Projects assisted

under Title VI of NAHA (Prepayment of Mortgages insured by HUD); and Commercial properties.

- 3.2 **EMERGENCY REPAIR PROGRAMS** – Activities that do not bring property up to a minimal standard are prohibited.
- 3.4 **TERMINATED PROJECTS** – A HOME assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any HOME funds invested in the project must be repaid to the State's HOME Investment Trust Fund.
- 3.5 **PREVIOUSLY ASSISTED HOME PROJECTS** – HOME funds cannot be used to provide assistance (other than assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the State in the written agreement under 24 CFR 92.504.
 - 1. Additional HOME funds may be committed to a project up to one year after project completion (24 CFR 92.502), but the amount of HOME funds in the project cannot exceed the maximum per-unity subsidy limit.
- 3.6 **HOMEOWNER REHABILITATION PROJECT ARE NOT AN ELIGIBLE ACTIVITY FOR A CHDO** – A CHDO can only participate in the HOME program if they are the owner, sponsor or developer of a project.
- 3.7 **ANY COST THAT IS NOT ELIGIBLE UNDER 24 CFR 92.206 THROUGH 92.209.**

4. FORMS OF ASSISTANCE (92.205(b))

- 4.1 **FORGIVABLE GRANT** – Assistance from local government or non-profit grant recipients to program beneficiaries will be limited to forgivable grants. These are grants that are completely forgiven after a specified period of time as long as the beneficiary adheres to the conditions of the grant. Grants may be forgiven at the end of the compliance period or proportionally each year.
- 4.2 For homeowner rehabilitation projects, if the assisted homeowner dies during the compliance period, THDA does not require repayment as long as the ownership of the property passes to the heirs. Starting with the 2005 grant year, the heirs may occupy the unit, rent it or leave it sit empty, without triggering the repayment clause. However, if the heirs sell the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, the grant must be repaid into the State's HOME account, less any forgivable portion. (This policy may be applied retroactively to prior HOME projects as needed.)
- 4.3 **SOFT SECOND MORTGAGES** – In order to qualify a family in homeownership programs, HOME funds may be used for soft second mortgages. The soft second mortgages are limited to a maximum subsidy of \$14,999 per household with a five year affordability period forgiven at the end of the fifth year. If the unit is sold during the affordability period, there is a forgiveness feature of 20% per year for the time the family has owned and occupied the house, with the remaining HOME funds due on sale to THDA.

5. AFFORDABILITY REQUIREMENTS

5.1 RENTAL HOUSING (92.252(e)) – Rental housing will remain affordable for not less than the applicable period, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements are imposed by deed restrictions, covenants running with the land or other mechanisms approved by THDA, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The Grantee may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

1. When HOME funds are used in connection with multi-family housing in which acquisition, new construction, or rehabilitation is financed with a mortgage insured by HUD under Chapter II of Title 24, the minimum period of affordability is the term of the HUD-insured mortgage.
2. THDA will require that Grantees using HOME funds for rental housing execute a Grant Note, Deed of Trust and Restrictive Covenant for each project.
3. Minimum affordability period for rental housing:

ACTIVITY	HOME FUNDS	AFFORDABILITY
Acquisition or rehabilitation of existing housing	Under \$15,000	5 Years
Acquisition or rehabilitation of existing housing	\$15,000 - \$40,000	10 Years
Acquisition or rehabilitation of existing housing	Over \$40,000	15 Years
New construction or acquisition of newly constructed housing		20 Years

5.2 HOMEOWNERSHIP PROGRAMS (92.254(a)(4)) - Unlike affordability requirements in HOME rental programs which control the allowable rent and income of the tenants, affordability periods in homeownership programs relate to the subsequent sale of the property by the HOME-assisted homeowner. The affordability period is based on the amount of HOME funds provided for the property.

HOME FUNDS PROVIDED	AFFORDABILITY PERIOD
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years

- 1 The HOME Rule allows two options for controlling the subsequent sale of the homebuyer property during the affordability period: the recapture option and the resale option. THDA has chosen to implement the less restrictive recapture option for its homeownership programs under HOME.
2. *RECAPTURE* (92.254(a)(5)(ii)) - The homeowner is required to repay all or a portion of the direct HOME subsidy to the homebuyer if the property is sold, or transferred during the affordability period.
 - a. The homeowner may sell the property to any willing buyer at whatever price the market will bear as long as all or a portion of the HOME debt remaining on the property is repaid.
 - b. The Grantee may reduce the amount of the HOME subsidy to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
 - c. However, if the unit does not remain in compliance for the affordability period, i.e., the unit is leased or does not remain the principal residence of the homebuyer, then the entire amount of direct HOME subsidy must be recaptured.
- 3 The recapture option may only be used with direct financial assistance to the homebuyer. Development subsidies are not subject to recapture but are subject to the more restrictive resale option.
4. THDA requires that each homebuyer execute a Grant Note and Deed of Trust to secure the soft second mortgage for the direct purchase assistance. There is a maximum subsidy of \$14,999 per household with a five year affordability period forgiven at the end of the fifth year. If the unit is sold during the affordability period, there is a forgiveness feature of 20% per year for the time the family has owned and occupied the house, with the remaining HOME funds due on sale to THDA.

5.3 HOMEOWNER REHABILITATION (92.254(b)) – Housing that is currently owned by a family and is rehabilitated with HOME funds remains affordable only if:

1. The value of the property, after rehabilitation does not exceed 95% of the median purchase price for the type of single family housing (1 – 4 family residence, condominium unit, combination manufactured home and lot, or manufactured home lot) for the jurisdiction as determined by HUD. See Attachment IV: Property Value Limits in Chapter 9 – Homeowner Rehabilitation.
2. The housing is the principal residence of an owner whose family qualifies as a low-income family at the time the HOME funds are committed to the housing.
3. Deferred and forgivable grants for homeowner rehabilitation shall have a compliance period of **5 years**. If the rehabilitation includes reconstruction, the grant shall have a compliance period of **15 years**. These are State HOME program requirements, not Federal requirements. THDA will require

homeowners to sign a Grant Note and Deed of Trust to secure the compliance period.

6. INCOME DETERMINATIONS (92.203)

- 6.1 **INCOME LIMITS** – HOME funds can only be used to benefit low and very low income households. The income limits applicable are the current “Income Limits for Low-Income and Very Low-Income Families” (adjusted for family size) produced by the Department of Housing and Urban Development. Tennessee figures are included as **ATTACHMENT I: 2006 HOME Income Limits**.
- 6.2 **ANNUAL INCOME (GROSS INCOME)** – The State’s HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:
1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household’s *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and
 3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.
 4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
 5. **MONTHLY GROSS INCOME** – Monthly gross income is Annual Gross Income divided by 12 months.
- 6.3 **ASSETS** – In general terms, an asset is a cash or noncash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.
1. **MARKET VALUE** – The market value of an asset is simply its dollar value on the open market. For example, a stock’s market value is the price quoted on a stock exchange on a particular day, and a property’s market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.
 2. **CASH VALUE** – The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:
 - a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are

deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

- b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.
- c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

6.4 **INCOME FROM ASSETS** – The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest or dividends from an asset, the interest or dividends is still counted as income.

- 1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.
 - a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or
 - b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.
 - c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.
- 2. When an Asset Produces Little or No Income:
 - a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.
 - b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:
 - i. actual income from assets, or
 - ii. imputed income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added

together. Use the standard passbook rate to determine the annual income from assets for this family.

3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.
 - a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).
 - b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.
 - c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

6.5 **ASSETS INCLUDE:**

1. Amounts in savings accounts and six month average balance for checking accounts.
2. Stocks, bonds, savings certificates, money market funds and other investment accounts.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*
4. The cash value of trusts that are available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.

9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Cash value of life insurance policies.
11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

6.6 ASSETS DO NOT INCLUDE:

- a. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above
- b. Interest in Indian Trust lands
- c. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

- d. Assets not accessible to the family and which provide no income to the family.
- e. Vehicles especially equipped for the handicapped.
- f. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

6.7 INCOME INCLUSIONS – The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income for the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of

the value of such assets based on the current passbook saving rate, as determined by HUD.

4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
 - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
8. All regular pay, special pay and allowances of a member of the Armed Forces (see paragraph (8) under Income Exclusions).

6.8 INCOME EXCLUSIONS – The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

5. Income of a live-in aide.
6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 6.12 (7) under Determining Whose Income to Count).
7. The full amount of student financial assistance paid directly to the student or to the educational institution;
8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
9.
 - a. Amounts received under training programs funded by HUD.
 - b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
 - c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program.
 - d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the governing board. No resident may receive more than one such stipend during the same period of time.
 - e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.
10. Temporary, nonrecurring or sporadic income (including gifts).
11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse).
13. Adoption assistance payments in excess of \$480 per adopted child.

14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
15. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
16. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
17. Amounts paid by a state agency to a family with member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.
18. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which exclusions set forth in 24 CFR 5.609I apply. The following is a list of types of income that qualify for that exclusion (9/27/89 regulations):
 - a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);
 - c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
 - d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
 - e. Payments or allowances made under the department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
 - f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
 - g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
 - h. The first \$2,000 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117);

- i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f));
- k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)
- m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- n. Payments received under the Maine Indian Claims Settlement Act of 1980.
- o. Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job corps, veterans employment programs, state job training programs and career intern programs, Americorps);
- p. Payments made by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- q. Allowances, earnings, and payments to Americorps participants under the National and Community Service Act of 1990;
- r. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- s. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance); and
- t. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.

6.9 TIMING OF INCOME CERTIFICATIONS – All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.
2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.
3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The eligibility of a household must be re-determined if more than six months elapses between the date the Grantee determines that a household is income-eligible and the date HOME assistance is provided.
 - a. For homeowner rehabilitation projects, the date assistance is provided is the date of the rehabilitation contract.
 - b. For homeownership programs, the income eligibility of the families is timed as follows:
 - i. In the case of a contract to purchase existing housing, it is the date of the purchase;
 - ii. In the case of a lease-purchase agreement for existing housing or for housing to be constructed, it is the date the lease-purchase agreement is signed; and
 - iii. In the case of a contract to purchase housing to be constructed, it is the date the contract is signed.

6.10 INCOME VERIFICATION – Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. **THIRD-PARTY VERIFICATION** – Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.
 - a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.
 - b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

2. **REVIEW OF DOCUMENTS** – Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, over-time, tips and bonuses.

3. **APPLICANT CERTIFICATION** – When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from “odd jobs” paid for in cash.

Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant’s past history. The Grantee can review the previous year’s income tax return to determine if the current year’s income is consistent with activity for the previous year.

6.11 CALCULATION METHODOLOGIES – Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without over-time). An applicant who is paid “twice a month” may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).
2. It is important to clarify whether over-time is sporadic or a predictable component of an applicant’s income.
3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

6.12 DETERMINING WHOSE INCOME TO COUNT – Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. **INCOME OF LIVE-IN AIDES** – If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);
2. **INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN** – Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and
3. **EARNED INCOME OF MINORS** – Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child

support, AFDC payments, and other benefits paid on behalf of a minor) is counted.

4. **TEMPORARILY ABSENT FAMILY MEMBERS** – The income of temporarily absent family members is counted in Annual Income – regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the State. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;
5. **ADULT STUDENTS LIVING AWAY FROM HOME** – If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the first \$480 of the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and
6. **PERMANENTLY ABSENT FAMILY MEMBER** – If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.
7. **PERSONS WITH DISABILITIES** – During the annual recertification of a family's income, increases in the income of a disabled member of qualified families residing in HOME assisted housing or receiving HOME tenant- based rental assistance is excluded. 24 CFR 5.61(a) outlines the eligible increases in income. These exclusions from annual income are of limited duration. The full amount of increase to an eligible family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, 50 percent of the increase in income is excluded. The disallowance of increased income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period.

6.13 USING ADJUSTED GROSS INCOME – Adjusted Gross Income is *not* needed for HOME homeowner rehabilitation programs, homeownership programs, or for determining tenant eligibility for rental housing programs. Adjusted Gross Income is needed only to calculate:

1. The subsidy and tenant's share of rent under a HOME-funded tenant based rental assistance program. This calculation is done when the tenant first receives assistance and whenever the tenant's income is recertified.
2. The rent for a tenant in a HOME assisted rental unit whose rent must be adjusted because the household income increases above 80 percent of the area median; and
3. A household's eligibility for and the amount of assistance to be provided under the Uniform Relocation Act or Section 104(d) relocations and tenant assistance requirements.

6.14 **CALCULATING ADJUSTED GROSS INCOME** – Adjusted gross income is the annual gross income minus any of the five following deductions (also called allowances) that apply to the household. The household’s eligibility for deductions depends, in part, on the type of household that it is. Monthly adjusted income is Annual Adjusted Income divided by 12 months.

1. FOR ALL HOUSEHOLDS:

- a. \$480 for each dependent. (A dependent is a person, other than the head or spouse, who is under 18, or handicapped or disabled, or a full-time student of any age.)
- b. Reasonable child care expenses (for children 12 and under) that enable a family member to work or go to school and are not reimbursed. The allowable expenses cannot exceed the income generated by that household member during the period the care is being provided. To document that the anticipated child care expenses can be deducted, the household must (1) identify the child(ren) who will be cared for; (2) identify the family member who is enabled to work or attend school because of child care (generally the person with the lowest income – the person who would quit work to take care of the children if no child care were available – is considered the family member enabled to work). This family member must provide documentation that he or she is employed, actively looking for work or is currently enrolled in a vocational program or degree-granting institution. The family member does not need to be a full time student. (3) demonstrate that no other adult household member is available to care for the child; (4) identify the child care provider; and (5) provide documentation of costs.
- c. Expenses (in excess of 3% annual gross income) for the care of a handicapped or disabled family member that enable that person or another person to work (includes care attendant and necessary equipment and apparatus). Expenses may be deducted only if (1) they are reasonable; (2) they are not reimbursed from another source, such as insurance; (3) they do not exceed the amount of income generated by the person enabled to work; and (4) they are in excess of three percent of annual income.

2. FOR ELDERLY OR DISABLED HOUSEHOLDS ONLY:

- a. An elderly household is any household in which the head, spouse, or sole member is 62 years of age or older. For example, a husband, age 59, and wife, age 62, would be considered an elderly household.
- b. A disabled household is any household in which the head, spouse or sole member is a person with disabilities. For example, a husband, age 42, and wife, age 38 and disabled, would be considered a disabled household.
- c. Living with an elderly or disabled relative does not qualify a household for this deduction unless the relative is the head or spouse of the family. For example, if a non-elderly, non-disabled couple take in an elderly parent; this is not a qualified elderly or disabled household. But if the couple

moves in with the elderly or disabled parent, the parent is the head of household and the family is qualified for the deduction.

- d. Medical expenses in excess of 3% of annual income that are not reimbursed by insurance or other sources.
- e. Any household that meets the definition of an elderly or disabled household is entitled to a deduction of \$400 per household.

7. PROPERTY STANDARDS (92.251)

7.1 APPLICABLE CODES – Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

- 1. New construction projects must also meet the 2003 International Energy Conservation Code, published by the International Code Council. Copies of the Energy Code may be obtained at the address below:

International Code Council
4051 West Flossmoor Road
Country Club Hill, Illinois 60478
(708) 799-2300, ext. 248

- 2. All other HOME-assisted housing (e.g. acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are not such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401 (Section 8 HQS).

7.2 IN ABSENCE OF A LOCAL CODE – In the absence of local codes, new construction of multi-family apartments of 3 or more units must meet the 2003 International Building code; new construction or reconstruction of single-family units or duplexes must meet the 2003 International Residential Code for One and Two Family Dwellings; and rehabilitation of rental units or existing homeowner units must meet the 2003 International Property Maintenance Code. International Code books are available from the International Code Council at the address listed above. In addition, rental units must, at a minimum, continue to meet Section 8 Housing Quality Standards (HQS) on an annual basis.

7.3 ACCESSIBILITY - The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

For new construction of multi-family projects (five or more units), a minimum of 5% of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2%, at a minimum, of the units (but not less than one unit) must be accessible to individuals with sensory impairments. The total number of units in a HOME-assisted project, regardless of whether they are all HOME-assisted, is used as the basis for determining the minimum number of accessible

units. Also, in a project where not all the units are HOME-assisted, the accessible units may be either HOME-assisted or non-HOME-assisted.

The Section 504 definition of substantial rehabilitation for multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75% or more of the replacement cost. In such developments, a minimum of 5% of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2% (but not less than one unit) must be accessible to individuals with sensory impairments. As in the case of new construction, the total number of units in a HOME-assisted project, regardless of whether they are all HOME-assisted, is used as the basis for determining the minimum number of accessible units. Also, in a project where not all the units are HOME-assisted, the accessible units may be either HOME-assisted or non-HOME-assisted.

When rehabilitation is undertaken in projects of 15 or more units, alterations must, to the maximum extent feasible, make the units accessible to and usable by individuals with handicaps, until a minimum of 5% of the units (but not less than one unit) are accessible to individuals with mobility impairments. For this category of rehabilitation, the additional 2% of unit's requirement for individuals with sensory impairments does not apply. Alterations to common spaces must, to the maximum extent feasible, make those areas accessible.

- 7.5 **RENTAL HOUSING STANDARDS** - All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.

8. CONTRACTOR QUALIFICATIONS

- 8.1 **GENERAL CONTRACTOR'S LICENSE** - At a minimum, any contractor for construction or rehabilitation projects with contract amounts of \$25,000 or more must have a general contractor's license issued by the Board for Licensing Contractors, State of Tennessee. For a listing of Tennessee Licensed Contractors contact:

Board for Licensing Contractors
500 James Robertson Parkway, Suite 110
Nashville, TN 37243-1150
Telephone: (615)741-8307

- 8.2 **HOME IMPROVEMENT LICENSE** - As of October, 2006 any contractor for rehabilitation projects with contract amounts between \$3,000 and \$24,999 in Bradley, Davidson, Hamilton, Haywood, Johnson, Knox, Rutherford, Robertson, and Shelby counties are required to have a Home Improvement license. This is a local option, and it is anticipated that additional counties will adopt this requirement.

- 8.3 The above are minimum licensing standards required by the State of Tennessee. Grantees may choose to impose stricter requirements for local programs. A Grantee choosing to require more than the minimum standards would incorporate those requirements in the policies and procedures adopted for the operation of its HOME program.

9. HOME INVESTMENTS PER UNIT (92.205(c) and 92.250(a))

9.1	MINIMUM HOME DOLLARS	\$1,000	PER UNIT
9.2	MAXIMUM HOME DOLLARS	\$47,890	EFFICIENCY LIMIT
		\$54,897	1-BEDROOM LIMIT
		\$66,755	2-BEDROOM LIMIT
		\$86,358	3-BEDROOM LIMIT
		\$94,795	4-BEDROOM+ LIMIT

10. SUBSIDY LAYERING (92.250(b))

- 10.1 Layering is the combining of other federal resources on a HOME assisted project which results in an excessive amount of subsidy for the project. Such activity is prohibited. Grantees will analyze each project to insure that only the minimum amount of assistance is allocated to the project. In no case may the amount of HOME funds exceed the Maximum Per Unit Subsidy Limits.

11. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

- 11.1 **DEFINITION (92.2)** - A community housing development organization (CHDO) is a private, non-profit organization that
1. Is organized under state or local law;
 2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
 3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - a. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as builder, developer or real estate management firm.
 - b. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members; and
 - c. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;

4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c) (3) of the Internal Revenue Code of 1986;
 5. Does not include a public body (including the State). An organization that is state or locally chartered may qualify as a CHDO; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and not more than one-third of the board members may be public officials. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members;
 6. Has standards of financial accountability that conform to 24 CFR 84.21 "Standards of Financial Management Systems".
 7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
 8. Maintains accountability to low-income community residents by:
 - a. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
 - b. Providing a formal process for low-income, program beneficiaries to advise the organization in its decisions regarding the design, site selection, development, and management of affordable housing;
 9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced accomplished key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
 10. Has a history of serving the community within which housing to be assisted with HOME funds is located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.
- 11.2 **CHDO SET-ASIDE** - The HOME program provides for a 15% set-aside for investment only in housing to be developed, sponsored or owned by community housing development organizations (7% for operating expenses; 8% for developer's fees). (92.300(a)).
- 11.3 **CHDO AS OWNER** - The CHDO is an owner when it holds valid legal title to or has a long term (99 year minimum) leasehold interest in a property. The CHDO may be an

owner with one or more individuals, corporations, partnerships or other legal entities. The CHDO may be both owner and developer, or may have another entity as the developer.

- 11.4 **CHDO AS DEVELOPER** - The CHDO is a developer when, regardless of ownership, it has the contractual obligation to a property owner to obtain financing for, rehabilitate or construct a rental housing project.
- 11.5 **CHDO AS SPONSOR** - The CHDO is a sponsor when for HOME-assisted rental housing, the CHDO develops a project that it solely or partially owns and agrees to convey ownership to a second non-profit organization at a predetermined time prior to or during development or upon completion of the development of the project. The HOME funds are invested in the project owned by the CHDO. The CHDO sponsor selects the non-profit organization that it will assist. The non-profit assumes from the CHDO the HOME obligation (including any repayment of loans) for the project at a specified time. If the property is not transferred to the non-profit organization, the CHDO sponsor remains liable for the HOME grant obligations.
1. The non-profit organization must be financially and legally separate from the CHDO sponsor. The CHDO sponsor must provide sufficient resources to the non-profit organization to ensure the development and long-term operation of the project.
- 11.6 **CHDO AS DEVELOPER OR SPONSOR** - The CHDO roles as developer and sponsor are similar in many ways. Each carries out the principal project development activities of acquisition, financing, construction management, arranging a development team, etc. to bring a project from conception to completion. However, the CHDO developer need not own the property, but under contract with the owner, is solely responsible for carrying out project related activities, while the CHDO sponsor owns the property and shifts the responsibility from its organization to another non-profit entity at some specified time in the development process.
- 11.7 **MANAGEMENT CONTROL** - In acting in any of the capacities specified, the CHDO must have effective management control of the project.
- 11.8 **CHDO AND HOMEOWNER REHABILITATION** - A CHDO *can never* be a developer or sponsor to complete the rehabilitation of the residence of an existing homeowner. A low-income homeowner would never contract with a developer independently from the participating jurisdiction (or subrecipient) prior to receiving a commitment of HOME assistance and a sponsor must always own the project prior to development.

12. CONFLICT OF INTEREST (92.356)

12.1 APPLICABILITY

1. In the procurement of property and services by participating jurisdictions, state recipients and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. Grantees receiving assistance from the HOME Program must adhere to these procedures.

2. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of 24 CFR 92.356 apply. These cases include the acquisition and disposition of real property and the provision of assistance by the Grantee, or to individuals, housing developers, and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation of housing).
3. See *Chapter II: Financial Management, Section III, Establishing Procedures for Financial Management of HOME Funds* concerning the applicability of OMB Circulars.

12.2 **CONFLICTS PROHIBITED** – The conflict of interest provisions in the HOME program are stricter than those of other federal programs. No person listed in paragraph 12.3 who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

12.3 **PERSONS COVERED** –The conflict of interest provisions as apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of THDA, the local community or the non-profit agency (including CHDOs) receiving HOME funds.

For 2006 HOME grantees, the father, mother, husband, wife, brother, sister or children of any local elected official or of any employee or board member of a non-profit agency is ineligible to receive benefits through the HOME program.

12.4 **APPEARANCE OF A CONFLICT OF INTEREST** - Grantees must also make every effort to avoid the appearance of favoritism in the eligibility determination process. In those cases where the applicant is otherwise eligible, but there exists the appearance of a conflict of interest or the appearance of favoritism, the Grantee must complete HO-4A (Determination of a Conflict of Interest) and submit written documentation to THDA that the following procedures have been observed:

1. The Grantee must publish an announcement in the local newspaper concerning the potential for a conflict of interest and request citizen comments.
2. The Grantee's attorney must render an opinion as to whether or not a conflict of interest exists and that no state or local laws will be violated should the applicant receive HOME assistance.
3. The Grantee's elected body must pass a resolution approving the applicant.

12.4 **OWNERS AND DEVELOPERS** - No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent or consultant of the owner, developer or sponsor) whether a private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an owner-occupant of single-family housing or to an employee or agent of the owner or developer of a rental housing project who occupies a HOME assisted unit as the project manager or maintenance worker.

- 12.5 THDA will no longer routinely consider requesting exceptions to the conflict of interest provisions from HUD.

13. DRUG-FREE WORKPLACE

- 13.1 The State must require its Grantees to adopt a drug-free workplace policy that certifies that the Grantee will or will continue to provide a drug-free workplace by:
- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition.
 - b. Establishing an on-going drug-free awareness program to inform employees about:
 - 1. The dangers of drug abuse in the workplace;
 - 2. The Grantee's policy of maintaining a drug-free workplace;
 - 3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 13.1(a);
 - d. Notifying the employee in the statement required by paragraph 13.1(a), that, as a condition of employment under the grant, the employee will:
 - 1. Abide by the terms of the statement; and
 - 2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
 - e. Notifying THDA in writing, within ten (10) calendar days after receiving notice under paragraph 13.1(d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notices shall include the identification number(s) of each affected grant.
 - f. Taking one of the following actions, within thirty (30) calendar days of receiving notice under paragraph 13.1(d)(2), with respect to any employee who is so convicted:

1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law-enforcement, or other appropriate agency.
- g. Making a good faith effort to continue to maintain a drug-free workplace through implementation paragraphs 13.1(a) through (f).

14. DEBARMENT AND SUSPENSION

- 14.1 The State must require its Grantees to have participants in lower tier covered transactions (contractors) certify that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction. (See Appendix B of 24 CFR Part 24)

15. MONITORING

- 15.1 **RESPONSIBILITIES OF THE STATE** - The State is responsible for managing the day-to-day operations of the HOME program, for monitoring the performance of all entities receiving HOME funds to assure compliance, and for taking appropriate action when performance problems arise. The State has divided its monitoring activities into two programs.
1. The first program is the ongoing monitoring and program evaluation prior to the completion or close out of the project.
 2. The second program, referred to as long term compliance, will monitor federal or state affordability compliance issues after the project is closed out and will continue until the affordability/compliance period expires.
- 15.2 **MONITORING AND PROGRAM EVALUATION PRIOR TO CLOSE OUT OF PROJECTS** - Program monitoring is an ongoing activity and can be carried out in a variety of formal and informal ways and methods. These include on-site reviews; desk reviews of performance reports; financial audits; other verbal and written exchanges with the Grantee; conversations with the Grantee, clients, and fellow funders of the Grantee; etc.
1. An on-site field visit will be conducted of each project at least once during the contract, preferably when the project funds are from 20% to 80% drawn down. Certain considerations (such as Grantee performance, reporting and audit deficiencies, personnel turnovers, etc.) may require more frequent monitoring.
 2. A written notice at least 7 days in advance of the scheduled visit will be given.

3. The scope of the on-site review should be as comprehensive as possible taking into consideration all applicable contractual, program, and state and federal requirements. An exit conference will be held to review the findings. A monitoring letter will be mailed, preferably no later than 30 days from the date of the visit.
4. If concerns or findings are identified, the Grantee will be asked to take steps to resolve these and respond by letter within 30 days. If the monitoring findings have not been cleared, a reminder notice will be sent. If the findings are still not cleared, future payments may be withheld, eligibility to apply for future grants may be denied, or repayment of the grant may be required.

15.3 **LONG TERM COMPLIANCE AFTER CLOSE OUT OF PROJECTS** - After the project is officially closed out by letter to the Grantee, the record will be transferred to the Internal Audit Division of THDA for long term compliance monitoring during the remainder of the affordability period. A letter will be mailed to the Grantee to explain the long term monitoring process and annual reporting requirements.

1. **RENTAL HOUSING**— Grantees with rental housing projects are responsible for the following:
 - a. Annual income certification of residents;
 - b. Adherence to the HOME rent guidelines, including the deduction of utility allowances in determining maximum rents;
 - c. Maintaining the units in compliance with Housing Quality Standards;
 - d. Maintaining written tenant selection procedures, including an affirmative marketing plan and enforcing tenant lease protections.
 - e. Annual reporting to THDA Internal Audit Division, including but not limited to:
 - i. HOME Compliance Summary (Form CHM-1)
 - ii. Rental Resident Profile (Form CHM-2)
 - f. Record retention requirements of the HOME regulations.
 - g. Owners of rental projects are also subject to on-site inspections based on the number of rental units in the project.
 - i. Yearly inspections of projects of 26 or more units;
 - ii. Inspections every 2 years of projects with 5 to 25 units;
 - iii. Inspections every 3 years of projects with 1 to 4 units.
2. **HOMEOWNER REHABILITATION:** For homeowner rehabilitation projects, THDA will monitor to ensure that THDA's affordability period is being fulfilled. Annual reporting may be required, but routine on-site visits will not be

conducted. However, THDA reserves the right to visit any site where there are concerns or potential problems are suspected.

3. **HOMEOWNERSHIP PROGRAMS:** For homeownership projects, THDA is expected to monitor to ensure that the homebuyer continues to live in the house as his/her permanent residence throughout the affordability period. Long-term monitoring for principal residency will be done by the Program Compliance Division of THDA.
3. **COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)** – In addition to any rental requirements, CHDOs may be required to submit a report to THDA annually to document their compliance with HOME rules and regulations regarding their on-going CHDO status.
4. **PROGRAM INCOME** – Grantees must maintain program income for use in additional eligible HOME activities. Any Grantees receiving program income will be required to report annually to THDA.
5. **NON-COMPLIANCE** – After a compliance review has been conducted, either through an on-site review or a review of paperwork, the Grantee will be notified of any issues of non-compliance. Areas not in compliance will be identified with a date by which corrections should be made. Sanctions for non-compliance are as follows:
 - a. Denial of subsequent HOME grant applications until non-compliance is corrected, subject to approval by THDA's Grants Committee
 - b. Repayment of all or a portion of HOME funds when serious non-compliance has persisted.

16. AUDITS (92.506)

- 16.1 **LOCAL GOVERNMENT AUDITS** - Audits must be conducted in accordance with 24 CFR Part 44 (Audit Requirements for State and Local Governments).
- 16.2 **NON-PROFIT AUDITS** – Audits must be conducted in accordance with 24 CFR Part 45 (Audit Requirements for Non-Profit Organizations).

17. DEFINITIONS (92.2)

- 17.1 **ADMINISTRATIVE COSTS** - Reasonable costs of overall program management, coordination, monitoring and evaluation. Such costs included, but are not limited to, necessary expenditures for the following: general management, oversight and coordination; staff and overhead; public information; fair housing; indirect costs; preparation of the consolidated plan; and other Federal requirements. See Section 92.207 of the HOME Final Rule.

- 17.2 **ADJUSTED INCOME** - Adjusted income is annual income (gross income) reduced by deductions for dependents, elderly or disabled households, medical expenses, and child care. In the HOME program, adjusted income is only used to calculate a household's eligibility for and the amount of assistance to be provided under the Uniform Relocation Act or Section 104(d); or the rent to be paid by a tenant whose income has increased above the HOME income limits. *Adjusted income is not used to determine eligibility for homeowner rehabilitation programs or tenant eligibility for rental housing programs.*
- 17.3 **ANNUAL INCOME (GROSS INCOME)** - Annual income means all amounts, monetary or not which go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination date; and which are not specifically excluded under the Section 8 definition of annual income. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
- 17.4 **COMMITMENT** - The written, legally binding agreement between the PJ and a state recipient, a subrecipient or a CHDO to use a specific amount of HOME funds to produce affordable housing.
- 17.5 **COMMITMENT TO A SPECIFIC LOCAL PROJECT** - The date an acceptable Project Set-up Report (FM-3) is entered into the disbursement and information system established by HUD is deemed to be the date of project commitment.
- 17.6 **COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS** - Community Housing Development Organizations (henceforth CHDOs) are private, non-profit organizations that meet the definition of a CHDO in Section 92.2 "Community Housing Development Organizations", have a current Certificate of Existence from the Tennessee Secretary of State, and a 501(c)(3) designation from the IRS.
- 17.7 **ETHNIC CATEGORIES** – Ethnic categories to be used in filling out Homeownership Completion Reports (FM-8) or Rental Completion Reports (FM-9) are defined as:
- Hispanic or Latino.*** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, "Spanish origin" can be used in addition to "Hispanic or Latino".
- Not Hispanic or Latino.*** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- 17.8 **GROUP HOME** - A group home is housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one bedroom units) separate private space for each family. It also includes group housing for elderly or disabled persons. Support services may be provided.
- 17.9 **HOME ASSISTED UNITS** - A term that refers to units within a HOME project where HOME funds are used and rent, occupancy, and/or resale restrictions apply.
- 17.10 **HOME FUNDS** - Funds made available under the HOME program through allocations and reallocations, plus program income.
- 17.11 **HOUSEHOLD** - Household means one or more persons occupying a housing unit.

- 17.12 **HOMEOWNERSHIP** – Homeownership means ownership in fee simple title or a 99-year leasehold interest in a one-to-four family dwelling or in a condominium unit, or equivalent form of ownership approved by HUD.
- 17.13 **HOUSING** - Housing includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing *does not* include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories.
- 17.14 **LOW INCOME FAMILIES** - Families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of median income for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.
- 17.15 **MANUFACTURED HOUSING** - For purposes of the HOME program, the definition of manufactured housing contained in the Code of Federal Regulations and used by HUD is adopted. Manufactured housing is a transportable structure, eight feet or more in length, of at least 320 square feet in size, with a permanent chassis to assure the initial and continued transportability of the structure, and is designed to be used as a dwelling with or without a permanent foundation.
- 17.16 **NEW CONSTRUCTION** - For the purposes of the HOME program, new construction is (a) any project which includes the creation of additional dwelling units outside the existing walls of a structure and (b) the construction of a new residential unit(s). Any project with commitment of HOME funds made within one year of the date of the initial certificate of occupancy is also considered new construction.
- 17.17 **OPERATING EXPENSES** - Reasonable and necessary costs for the operation of the community development housing organization. Such costs include salaries, wages and other employee compensation and benefits; employee education, training and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials and supplies. See Section 92.208 of the HOME Final Rule.
- 17.18 **PERSON WITH DISABILITIES** - A household composed of one or more persons, at least one of whom is an adult, who has a disability. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that: is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions.
- A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that: is attributable to a mental or physical impairment or combination of mental and physical impairments; is manifested before the person attains age 22; is likely to continue indefinitely; results in substantial functional limitations in three or more areas of major life activity -- self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency;

- 17.19 **PROJECT** - A site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management and financing and are to be assisted with HOME funds as a single undertaking under the HOME Program. The project includes all the activities associated with the site and building.
- 17.20 **RACIAL CATEGORIES** --Race categories to be used in filling out the Homeownership Completion Reports (FM-8) and the Rental Completion Reports (FM-9) are defined as:
- American Indian or Alaska Native.*** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachments.
- Asian.*** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- Black or African American.*** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American".
- Native Hawaiian or Other Pacific Islander.*** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- White.*** A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.
- 17.21 **RECONSTRUCTION** - Reconstruction is defined as rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. *Reconstruction is rehabilitation for purposes of the HOME program.*
- 17.22 **SINGLE ROOM OCCUPANCY (SRO) HOUSING** - SRO housing is housing (consisting of single room dwelling units) that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants.
- 17.23 **TRANSITIONAL HOUSING** - Transitional housing means housing that is designed to provide housing and appropriate supportive services to person, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children; and has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the project owner before occupancy.
- 17.24 **VERY LOW INCOME FAMILIES** - Families whose annual incomes do not exceed 50 percent of the median family income for the area as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of median income for the area on the basis of

HUD findings that such variations are necessary because of prevailing levels of construction costs, or fair market rents, or unusually high or low family incomes.

ATTACHMENT I

2006 HOME Program Income Limits

TENNESSEE COUNTIES IDENTIFIED BY METROPOLITAN AND NON-METROPOLITAN STATUS

METROPOLITAN AREAS¹

MSA - CHATTANOOGA

HMFA - CLARKSVILLE-

HMFA – STEWART COUNTY

MSA – CLEVELAND

MSA - JACKSON

MSA – JOHNSON CITY

MSA – KINGSFORT-BRISTOL

MSA - KNOXVILLE

HMFA - MEMPHIS

HMFA – NASHVILLE-MURFREESBORO

HMFA – MACON COUNTY

HMFA – HICKMAN COUNTY

HMFA – SMITH

NON-METROPOLITAN AREAS

COUNTIES

HAMILTON, MARION, SEQUATCHIE

MONTGOMERY

STEWART

BRADLEY, POLK

CHESTER, MADISON

CARTER, UNICOI, WASHINGTON

HAWKINS, SULLIVAN

ANDERSON, BLOUNT, KNOX, LOUDON, UNION

FAYETTE, SHELBY, TIPTON

CANNON, CHEATHAM, DAVIDSON, DICKSON,
ROBERTSON, RUTHERFORD, SUMNER,
TROUSDALE, WILLIAMSON, WILSON

MACON

HICKMAN

SMITH

ALL OTHER COUNTIES

Effective May 3, 2006

¹ MSA is a Metropolitan Statistical Area. HFMA is a HUD Metro FMR area.

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Chattanooga, TN-GA MSA									
	30% LIMITS	11050	12600	14200	15750	17000	18250	19550	20800
	VERY LOW INCOME	18400	21000	23650	26250	28350	30450	32550	34650
	60% LIMITS	22080	25200	28380	31500	34020	36540	39060	41580
	LOW INCOME	29400	33600	37800	42000	45350	48700	52100	55450
Clarksville, TN-KY HUD Metro FMR Area									
	30% LIMITS	10050	11500	12900	14350	15500	16650	17800	18950
	VERY LOW INCOME	16750	19100	21500	23900	25800	27700	29650	31550
	60% LIMITS	20100	22920	25800	28680	30960	33240	35580	37860
	LOW INCOME	26800	30600	34450	38250	41300	44350	47450	50500
Stewart County, TN HUD Metro FMR Area									
	30% LIMITS	9500	10900	12250	13600	14700	15800	16850	17950
	VERY LOW INCOME	15900	18150	20450	22700	24500	26350	28150	29950
	60% LIMITS	19080	21780	24540	27240	29400	31620	33780	35940
	LOW INCOME	25400	29050	32650	36300	39200	42100	45000	47900
Cleveland, TN MSA									
	30% LIMITS	11000	12600	14150	15700	17000	18250	19500	20750
	VERY LOW INCOME	18350	20950	23600	26200	28300	30400	32500	34600
	60% LIMITS	22020	25140	28320	31440	33960	36480	39000	41520
	LOW INCOME	29350	33550	37750	41900	45250	48650	52000	55350
Jackson, TN MSA									
	30% LIMITS	10850	12400	13950	15500	16750	18000	19200	20450
	VERY LOW INCOME	18100	20700	23250	25850	27900	30000	32050	34100
	60% LIMITS	21720	24840	27900	31020	33480	36000	38460	40920
	LOW INCOME	28950	33100	37200	41350	44650	47950	51250	54600
Johnson City, TN MSA									
	30% LIMITS	9500	10850	12200	13550	14650	15700	16800	17900
	VERY LOW INCOME	15800	18050	20300	22550	24350	26150	27950	29750
	60% LIMITS	18960	21660	24360	27060	29220	31380	33540	35700
	LOW INCOME	25250	28900	32500	36100	39000	41900	44750	47650
Kingsport-Bristol-Bristol, TN-VA MSA									
	30% LIMITS	9750	11150	12550	13950	15050	16200	17300	18400
	VERY LOW INCOME	16300	18600	20950	23250	25100	26950	28850	30700
	60% LIMITS	19560	22320	25140	27900	30120	32340	34620	36840
	LOW INCOME	26050	29750	33500	37200	40200	43150	46150	49100
Knoxville, TN MSA									
	30% LIMITS	11500	13150	14800	16450	17750	19100	20400	21700
	VERY LOW INCOME	19200	21900	24650	27400	29600	31800	34000	36150
	60% LIMITS	23040	26280	29580	32880	35520	38160	40800	43380
	LOW INCOME	30700	35100	39450	43850	47350	50850	54350	57900

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Memphis, TN-MS-AR HUD Metro FMR Area									
30% LIMITS		12050	13750	15500	17200	18600	19950	21350	22700
VERY LOW INCOME		20050	22900	25800	28650	30950	33250	35550	37800
60% LIMITS		24060	27480	30960	34380	37140	39900	42660	45360
LOW INCOME		32100	36700	41250	45850	49500	53200	56850	60500
Morristown, TN MSA									
30% LIMITS		9500	10900	12250	13600	14700	15800	16850	17950
VERY LOW INCOME		15850	18100	20400	22650	24450	26250	28100	29900
60% LIMITS		19020	21720	24480	27180	29340	31500	33720	35880
LOW INCOME		25400	29000	32650	36250	39150	42050	44950	47850
Nashville-Davidson--Murfreesboro, TN HUD Metro FMR Area									
30% LIMITS		12950	14800	16650	18500	20000	21450	22950	24400
VERY LOW INCOME		21550	24650	27700	30800	33250	35750	38200	40650
60% LIMITS		25860	29580	33240	36960	39900	42900	45840	48780
LOW INCOME		34500	39450	44350	49300	53250	57200	61150	65100
Hickman County, TN HUD Metro FMR Area									
30% LIMITS		9750	11150	12550	13950	15050	16200	17300	18400
VERY LOW INCOME		16300	18600	20950	23250	25100	26950	28850	30700
60% LIMITS		19560	22320	25140	27900	30120	32340	34620	36840
LOW INCOME		26050	29750	33500	37200	40200	43150	46150	49100
Macon County, TN HUD Metro FMR Area									
30% LIMITS		9300	10600	11950	13250	14300	15350	16450	17500
VERY LOW INCOME		15450	17700	19900	22100	23850	25650	27400	29150
60% LIMITS		18540	21240	23880	26520	28620	30780	32880	34980
LOW INCOME		24750	28300	31800	35350	38200	41000	43850	46650
Smith County, TN HUD Metro FMR Area									
30% LIMITS		10350	11850	13300	14800	16000	17150	18350	19550
VERY LOW INCOME		17250	19700	22200	24650	26600	28600	30550	32550
60% LIMITS		20700	23640	26640	29580	31920	34320	36660	39060
LOW INCOME		27600	31550	35500	39450	42600	45750	48900	52050
Bedford County, TN									
30% LIMITS		10050	11500	12900	14350	15500	16650	17800	18950
VERY LOW INCOME		16750	19100	21500	23900	25800	27700	29650	31550
60% LIMITS		20100	22920	25800	28680	30960	33240	35580	37860
LOW INCOME		26800	30600	34450	38250	41300	44350	47450	50500
Benton County, TN									
30% LIMITS		9150	10450	11750	13050	14100	15150	16200	17250
VERY LOW INCOME		15250	17400	19600	21750	23500	25250	26950	28700
60% LIMITS		18300	20880	23520	26100	28200	30300	32340	34440
LOW INCOME		24350	27850	31300	34800	37600	40350	43150	45950

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Bledsoe County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Campbell County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Carroll County, TN	30% LIMITS	9800	11200	12600	14000	15150	16250	17350	18500
	VERY LOW INCOME	16350	18700	21000	23350	25200	27100	28950	30800
	60% LIMITS	19620	22440	25200	28020	30240	32520	34740	36960
	LOW INCOME	26150	29900	33600	37350	40350	43350	46350	49300
Claiborne County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Clay County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Cocke County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Coffee County, TN	30% LIMITS	9900	11300	12750	14150	15300	16400	17550	18700
	VERY LOW INCOME	16500	18850	21200	23550	25450	27300	29200	31100
	60% LIMITS	19800	22620	25440	28260	30540	32760	35040	37320
	LOW INCOME	26400	30150	33950	37700	40700	43750	46750	49750
Crockett County, TN	30% LIMITS	9650	11000	12400	13750	14850	15950	17050	18200
	VERY LOW INCOME	16050	18350	20650	22950	24800	26600	28450	30300
	60% LIMITS	19260	22020	24780	27540	29760	31920	34140	36360
	LOW INCOME	25700	29400	33050	36700	39650	42600	45550	48450

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Cumberland County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Decatur County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
DeKalb County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Dyer County, TN	30% LIMITS	9850	11250	12650	14050	15150	16300	17400	18550
	VERY LOW INCOME	16400	18750	21100	23450	25350	27200	29100	30950
	60% LIMITS	19680	22500	25320	28140	30420	32640	34920	37140
	LOW INCOME	26250	30000	33750	37500	40500	43500	46500	49500
Fentress County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Franklin County, TN	30% LIMITS	10500	12000	13500	15000	16200	17400	18600	19800
	VERY LOW INCOME	17500	20000	22500	25000	27000	29000	31000	33000
	60% LIMITS	21000	24000	27000	30000	32400	34800	37200	39600
	LOW INCOME	28000	32000	36000	40000	43200	46400	49600	52800
Gibson County, TN	30% LIMITS	9650	11000	12400	13750	14850	15950	17050	18150
	VERY LOW INCOME	16050	18300	20600	22900	24750	26550	28400	30250
	60% LIMITS	19260	21960	24720	27480	29700	31860	34080	36300
	LOW INCOME	25650	29300	33000	36650	39600	42500	45450	48400
Giles County, TN	30% LIMITS	10200	11700	13150	14600	15750	16950	18100	19250
	VERY LOW INCOME	17050	19500	21900	24350	26300	28250	30200	32150
	60% LIMITS	20460	23400	26280	29220	31560	33900	36240	38580
	LOW INCOME	27250	31150	35050	38950	42050	45200	48300	51400

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Greene County, TN									
	30% LIMITS	9500	10850	12200	13550	14650	15700	16800	17900
	VERY LOW INCOME	15800	18050	20300	22550	24350	26150	27950	29750
	60% LIMITS	18960	21660	24360	27060	29220	31380	33540	35700
	LOW INCOME	25250	28900	32500	36100	39000	41900	44750	47650
Grundy County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Hancock County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Hardeman County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Hardin County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Haywood County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Henderson County, TN									
	30% LIMITS	9950	11400	12800	14200	15350	16500	17650	18750
	VERY LOW INCOME	16600	18950	21350	23700	25600	27500	29400	31300
	60% LIMITS	19920	22740	25620	28440	30720	33000	35280	37560
	LOW INCOME	26550	30350	34150	37900	40950	44000	47000	50050
Henry County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Houston County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Humphreys County, TN									
	30% LIMITS	10350	11800	13300	14750	15950	17100	18300	19450
	VERY LOW INCOME	17200	19650	22100	24550	26500	28500	30450	32400
	60% LIMITS	20640	23580	26520	29460	31800	34200	36540	38880
	LOW INCOME	27500	31450	35350	39300	42450	45600	48750	51900
Jackson County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Johnson County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Lake County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Lauderdale County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Lawrence County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Lewis County, TN									
	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Lincoln County, TN	30% LIMITS	10150	11600	13050	14500	15650	16800	18000	19150
	VERY LOW INCOME	16950	19350	21800	24200	26150	28050	30000	31950
	60% LIMITS	20340	23220	26160	29040	31380	33660	36000	38340
	LOW INCOME	27100	30950	34850	38700	41800	44900	48000	51100
McMinn County, TN	30% LIMITS	9650	11000	12400	13750	14850	15950	17050	18150
	VERY LOW INCOME	16050	18350	20650	22950	24800	26600	28450	30300
	60% LIMITS	19260	22020	24780	27540	29760	31920	34140	36360
	LOW INCOME	25700	29350	33050	36700	39650	42550	45500	48450
McNairy County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Marshall County, TN	30% LIMITS	11200	12800	14400	16000	17300	18550	19850	21100
	VERY LOW INCOME	18650	21300	24000	26650	28800	30900	33050	35200
	60% LIMITS	22380	25560	28800	31980	34560	37080	39660	42240
	LOW INCOME	29850	34100	38400	42650	46050	49450	52900	56300
Maury County, TN	30% LIMITS	12950	14800	16650	18500	20000	21450	22950	24400
	VERY LOW INCOME	21550	24650	27700	30800	33250	35750	38200	40650
	60% LIMITS	25860	29580	33240	36960	39900	42900	45840	48780
	LOW INCOME	34500	39450	44350	49300	53250	57200	61150	65100
Meigs County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Monroe County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Moore County, TN	30% LIMITS	10350	11800	13300	14750	15950	17100	18300	19450
	VERY LOW INCOME	17200	19650	22100	24550	26500	28500	30450	32400
	60% LIMITS	20640	23580	26520	29460	31800	34200	36540	38880
	LOW INCOME	27500	31450	35350	39300	42450	45600	48750	51900

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Morgan County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Obion County, TN	30% LIMITS	9900	11300	12750	14150	15300	16400	17550	18700
	VERY LOW INCOME	16500	18900	21250	23600	25500	27400	29250	31150
	60% LIMITS	19800	22680	25500	28320	30600	32880	35100	37380
	LOW INCOME	26450	30200	34000	37750	40750	43800	46800	49850
Overton County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Perry County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Pickett County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Putnam County, TN	30% LIMITS	10100	11550	13000	14450	15600	16750	17950	19100
	VERY LOW INCOME	16850	19300	21700	24100	26050	27950	29900	31800
	60% LIMITS	20220	23160	26040	28920	31260	33540	35880	38160
	LOW INCOME	27000	30850	34700	38550	41650	44750	47800	50900
Rhea County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Roane County, TN	30% LIMITS	10350	11800	13300	14750	15950	17100	18300	19450
	VERY LOW INCOME	17200	19650	22100	24550	26500	28500	30450	32400
	60% LIMITS	20640	23580	26520	29460	31800	34200	36540	38880
	LOW INCOME	27500	31450	35350	39300	42450	45600	48750	51900

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		----- 2006 ADJUSTED HOME INCOME LIMITS -----							
	PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Scott County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Sevier County, TN	30% LIMITS	11100	12700	14250	15850	17100	18400	19650	20900
	VERY LOW INCOME	18450	21100	23750	26400	28500	30600	32700	34800
	60% LIMITS	22140	25320	28500	31680	34200	36720	39240	41760
	LOW INCOME	29600	33800	38050	42250	45650	49000	52400	55750
Van Buren County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Warren County, TN	30% LIMITS	9800	11200	12600	14000	15150	16250	17350	18500
	VERY LOW INCOME	16350	18700	21000	23350	25200	27100	28950	30800
	60% LIMITS	19620	22440	25200	28020	30240	32520	34740	36960
	LOW INCOME	26150	29900	33600	37350	40350	43350	46350	49300
Wayne County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950
Weakley County, TN	30% LIMITS	10200	11650	13100	14550	15700	16900	18050	19200
	VERY LOW INCOME	17000	19400	21850	24250	26200	28150	30050	32000
	60% LIMITS	20400	23280	26220	29100	31440	33780	36060	38400
	LOW INCOME	27150	31050	34900	38800	41900	45000	48100	51200
White County, TN	30% LIMITS	9150	10450	11750	13050	14100	15150	16200	17250
	VERY LOW INCOME	15250	17400	19600	21750	23500	25250	26950	28700
	60% LIMITS	18300	20880	23520	26100	28200	30300	32340	34440
	LOW INCOME	24350	27850	31300	34800	37600	40350	43150	45950

CHAPTER TWO

FINANCIAL MANAGEMENT

1. WRITTEN AGREEMENTS

- 1.1 The written agreement between your community or organization and THDA will be a very important document throughout the life of the project. The written agreement must be executed before any funds can be disbursed or expended. FUNDS COMMITTED OR EXPENDED BEFORE THE WRITTEN AGREEMENT IS SIGNED WILL NOT BE REIMBURSED FROM HOME FUNDS. The written agreement will ensure compliance with the regulations of the HOME program.

2. ELIGIBLE COSTS (92.206)

- 2.1 **DEVELOPMENT HARD COSTS** - The actual cost of constructing or rehabilitating housing. These costs include the following:
1. For new construction, costs to meet the applicable new construction standards of the State and the Model Energy Code (See Property Standards).
 2. For rehabilitation, costs to meet applicable rehabilitation standards of the State (see Property Standards in Chapter I, Section VIII); to make essential improvements including energy-related repairs or improvements; improvements necessary to permit the use by persons with disabilities, and the abatement of lead-based paint hazards; and to repair or replace major housing systems in danger of failure.
 3. For both new construction and rehabilitation, costs to demolish existing structures; to make utility connections including off-site connections from the property line to the adjacent street; and to make improvements to the project site that are in keeping with improvements of surrounding, standard projects. Site improvements may include on-site roads and sewer and water lines necessary to the development of the project. The project site is property, owned by the property owner, upon which the project is located.
- 2.2 **ACQUISITION COSTS** - Costs of acquiring improved or unimproved property.
- 2.3 **PROJECT "SOFT" COSTS** - Other reasonable and necessary costs incurred by the owner and associated with the financing or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds. Administrative costs of the Grantee cannot be reimbursed as a "soft cost". Eligible project "soft costs" include:
1. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.

2. Costs to process and settle the financing for a project, such as lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorney fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees.
3. Costs of a project audit that the State may require with respect to the development of a project.
4. Costs to provide information services such as affirmative marketing and fair housing information.
5. For new construction or rehabilitation projects, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve that remain unexpended at the end of the 18 months must be returned to the State's HOME Trust Account.
6. For new construction and rehabilitation, costs for the payment of impact fees that are charged for all projects within a jurisdiction.
7. Costs for paint testing, risk assessments, and clearance testing will be paid as soft costs. There is an acceptable range for costs involving these activities. Please contact your specialist for cost approval prior to contracting for these services.
8. Expenses incurred conducting lead activities, interim controls, standard treatments, and abatement will not count towards the \$25,000 cap on rehabilitation costs. These costs will, however, count towards the subsidy limit.

2.4 **LIMITATIONS TO PROJECT SOFT COSTS** - Work write-ups and inspections billed as project related soft costs reduce the total dollars available for rehabilitation of houses. In addition, the total of soft costs plus the rehabilitation costs are subject to the HOME subsidy limitations and the after rehabilitation value limits.

1. Grantees can charge as soft costs the cost of work write-ups and inspections no more than 7% of the hard costs being paid for with HOME funds to rehabilitate a unit, not to exceed \$1,800.
2. Grantees may, however, charge a minimum of \$500 even if 7% of the hard costs is not as much as \$500.
3. It is the responsibility of the Grantee to determine reasonableness of these charges and whether they are covered by administration or should be charged separately as a project soft cost.
4. If the HOME program administrator is undertaking these activities and is being paid from the project related costs category and if the program administrator has already been chosen through the procurement process to be the administrator, the program administrator will not have to go through procurement again.

Otherwise, procurement procedures outlined in Section III of this Chapter will have to be followed.

- 2.5 **RELOCATION COSTS** - The costs of relocation payments and other relocation assistance to persons permanently or temporarily displaced by the project. (*See Chapter Four: Relocation and Displacement*). Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons.
- 2.6 **ADMINISTRATIVE AND PLANNING COSTS** - (92.207) Reasonable and necessary costs (as described in OMB Circular A-87) for the administration of the HOME program such as salaries and wages; other employee compensation and benefits; and employee education, training and travel. The cost of completing an environmental review is included under administrative cost. Administrative costs do not include eligible project-related costs that are incurred by and charged to project owners.
- 2.7 **CHDO OPERATING EXPENSES** - (92.208) Reasonable and necessary costs for the operation of the community development organization and in accordance with standard accounting practices. Eligible operating expenses include: salaries, wages, other employee compensation and benefits; employee education, training and travel; rent; utilities; communication costs; taxes; insurance; equipment, materials and supplies.

3. ESTABLISHING PROCEDURES FOR FINANCIAL MANAGEMENT (92.505)

- 3.1 **GOVERNMENTAL ENTITIES** - The requirements of OMB Circular No. A-87 (*Cost Principles for State and Local Governments*) and the following requirements of 24 CFR Part 85 apply to any governmental entity receiving HOME funds: 85.6 (Additions and Exceptions), 85.12 (Special Grant or Subgrant Conditions for "High Risk" Grantees), 85.20 (Standards for Financial Management Systems), 85.22 (Allowable Costs), 85.26 (Non-federal Audit), 85.32 - 85.34 (Equipment, Supplies and Copyrights), 85.36 (Procurement), 85.44 (Termination for Convenience), 85.51 (Later Disallowances and Adjustments) and 85.52 (Collection of Amounts Due).
- 3.2 **NON-PROFIT ORGANIZATIONS** - The requirements of OMB Circular No. A-122 (*Cost Principles for Non-profit Organizations*) and the following requirements of 24 CFR part 84 apply to private, non-profit organizations receiving HOME funds: 84.2 (Definitions), 84.5 (Subawards), 84.13 (Debarment and suspension; Drug-Free Workplace), 84.14 (Special award conditions), 84.15 (Metric system of measurement), 84.16 Resource Conservation and Recovery Act), 84.21 (Standards for Financial Management Systems), 84.22 (Payment), 84.26 (Non-Federal audits), 84.27 Allowable costs, 84.28 (Period of availability of funds), 84.30 (Purpose of property standards), 84.31 (Insurance coverage), 84.34 (Equipment), 84.35 (Supplies and other expendable property), 84.36 (Intangible property), 84.37 (Property trust relationship), 84.40 - 84.48 (Procurement Standards), 84.51 (Monitoring and reporting program performance), 84.60 (Purpose of termination and enforcement), 84.61 (Termination), 84.62 (Enforcement), 84.72 (Subsequent adjustments and continuing responsibilities) and 84.73 (Collection of amounts due).

3.3 **DETERMINING COSTS** - OMB Circular A-87 and OMB Circular A-122 provide uniform rules for determining costs applicable to grants and contracts with state and local governments and non-profit organizations respectively. They define allowable costs and set forth the procedures to recover them. The basic underlying intent of the circulars is that federally assisted programs bear their fair share of costs.

1. **ALLOWABLE COSTS** - Generally, costs must be necessary, reasonable, and directly related to the grant. In addition, they must be legal and proper, and consistent with the policies that govern the grantee's own expenditures.
2. **UNALLOWABLE COSTS**
 - a. The following costs are specifically not allowed under the provisions of Circular A-87: bad debts; contingencies; contributions and donations; entertainment; fines and penalties; interest and other financial costs; legislative expenses; under-recovery of costs under grant agreements.
 - b. The following costs are specifically not allowed under the provisions of Circular A-122, Attachment B: bad debts; contingencies; contributions and donations by the organization to others; lobbying; entertainment; fines and penalties; interest; fund raising; investment management costs; and losses on other awards.
3. **DIRECT COSTS** - These are costs that are specifically identifiable to the grant. Typical examples are employee compensation, material, equipment, and services furnished specifically for the grant by others.
4. **INDIRECT COSTS** - These are costs incurred for common or joint purposes that benefit more than one activity. These costs should be allocated so that the grant program bears its fair share of total indirect costs.
5. **COST ALLOCATION PLAN** - To recover indirect costs as well as direct costs, grantees must have a cost allocation plan prepared in accordance with OMB Circulars A-87 or A-122, as applicable, which forms the basis for the percentage cost rate. The plan must cover all costs of the department administering the grant and the costs of other agencies that will be charged against the grant. The plan should:
 - a. Describe the services provided and explain their relevance to the grant program
 - b. List the expenses to be charged to the grants, and
 - c. Explain the method used to distribute costs.
6. THDA will require that the cost allocation plan for non-profit agencies be reasonable, approved by the organization's accountant, and authorized by the organization's cognizant agency.

- 3.4 **OMB CIRCULARS** – Copies of OMB Circulars may be obtained Monday - Friday, 9:00 AM to 4:00 PM from:

E. O. P. Publications
Room 2200, New Executive Office Building
Washington, DC 20503
(202) 395-7332 or FAX (202) 395-9088

4. PROCUREMENT PROCEDURES

- 4.1 **LOCAL PROCUREMENT STANDARDS** - All cities, towns and counties in Tennessee are governed by procurement policies. Policies vary from community to community. If your community does not have a specific procurement policy or law, the County Purchasing Law of 1983 or the Municipal Purchasing Law of 1983 will apply. Both of these laws require formal bidding for all purchases of \$2,500 or greater. Some cities and counties in Tennessee have procurement policies that require formal bidding for purchases less than \$2,500. Grantees may use their own procurement procedures provided they conform to the standards of the HOME program.
- 4.2 **HOME PROCUREMENT STANDARDS** - For cities and counties, HOME procurement standards are at 24 CFR Section 85.36. For non-profit organizations, HOME procurement standards are at 24 CFR Sections 84.40 - 84.48. 24 CFR 85.36 and 24 CFR Section 84.44 require formal procurement procedures for all purchases of \$25,000 or greater. It is the grantee's responsibility to ascertain whether the local policies, 85.36 or 84.44 provisions apply. The stricter standard must always be used.
- 4.3 **SMALL DOLLAR PROCUREMENT** - Informal methods that are sound and appropriate are allowed for the procurement of supplies and other property whose total cost is not more than the local bidding limit (\$2,500 in most cases). Informal procurement methods would also apply to professional service contracts of \$10,000 or less.
1. **SMALL DOLLAR PURCHASES OF EQUIPMENT, SUPPLIES AND NON-PROFESSIONAL SERVICES** - Price or rate quotations must be obtained from at least 3 qualified sources. These quotations may be obtained over the telephone as long as the Grantee keeps a written record of the price quotations in the grant file. The contract should be awarded to the offerer with the lowest price quotation.
 2. **PROFESSIONAL SERVICE CONTRACTS (LESS THAN \$10,000)** - Prior to the performance of any professional services, a written request for statements of qualifications must be sent to at least 3 firms that offer the type of service the grantee wishes to procure. Copies of these letters must be on file. Advertising for statements of qualifications is not required if the professional service contract amount is less than \$10,000. The contract must be awarded solely on the basis of qualifications and cost.

4.4 **PROCUREMENT THAT REQUIRES FORMAL BIDDING** - Procurement of equipment, non-professional services and construction contracts whose total cost is more than the local bidding limit (\$2,500 in most cases) must formally advertise for sealed bids or competitive proposals and a public bid opening in a newspaper of general circulation.

1. **ADVERTISEMENT REQUIREMENTS** - The invitation to bid must be published in a newspaper of general circulation at least 14 days prior to the public bid opening. To avoid delays, a Grantee may wish to publish the invitation for bids in the newspaper of the closest major city (Knoxville, Nashville, Memphis or Chattanooga) to gain wider circulation and thereby increase chances of receiving at least 3 bids. The cost of publication is a reimbursable administrative expense.
2. **BID SOLICITATION** - Bid Solicitation must be a free, open competitive process. Every effort must be made to solicit minority and female businesses. The Grantee should not structure its procedures in order to keep business "in town". Absolute fairness must prevail in every aspect of the program, and any questions concerning conflict, or apparent conflict of interest should be discussed with THDA.
3. **BID SELECTION** - **A minimum of three (3) bids must be received.** Bids will be opened on the date and time previously established. A bid tabulation form will be prepared. The owner will select the lowest qualified bid. **THDA requires that the project be re-bid if there are not at least three (3) valid bids in response to the invitation for bids.**
 - a. If the project is re-bid and 3 bids still are not obtained, contact THDA for an exception to the 3 bid requirement. THDA may consider your project as a sole source procurement and/or allow you to award the contract with less than 3 bidders. **Written permission must be obtained from THDA before you may award a contract with less than three bids.**
 - b. Should the Grantee/owner decide to select a bid other than the lowest qualified bid, the Grantee/owner should state the reasons/justification in writing. If the owner's justification is not acceptable, the owner will be required to finance any rehabilitation amount that exceeds the lowest qualified bid through his/her personal resources.
 - c. The Grantee will reject a bid in instances where the bid exceeds the cost estimate by a percentage determined by the Grantee in its policies and procedures, unless a review of the cost estimate demonstrates an error. If a low bid is under the cost estimate, a meeting will be arranged with the contractor to assure that his cost is within reason and will allow him to satisfactorily complete the job. The homeowner will be advised if no acceptable bids are received on their house and the project will be re-bid.
4. **REBID OR CHANGES IN SCOPE** - If all bids exceed the amount of the construction budget, Grantees *may not* negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the scope of the project is changed, then each bidder must be given the opportunity to bid again. Bidders

must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. Grantees must maintain documentation to demonstrate that this process was followed.

5. DEDUCTIBLE AND ADDITIVE ALTERNATES - Bid specifications for construction projects may contain deductible alternates. By definition, a *deductible alternate* is a portion of the project that can be deleted to bring construction costs within the budget if all bids received exceed the funds available for construction. The deductible alternates must not change the scope of the project. Bid specifications for construction projects may also contain additive alternates.
 6. DISQUALIFIED CONTRACTORS – The Grantee must disqualify a contractor from bidding on projects when the contractor is listed on HUD’s Limited Denial of Participation and Voluntary Abstention List (the “Debarred List”).
 7. A Grantee may also disqualify a contractor from bidding on projects when:
 - a. There is documented proof that the contractor has not paid material suppliers; or
 - b. The contractor has not completed projects within the allotted time frame; or
 - c. There exist complaints by property owners about quality of work and performance.
- 4.5 **PROCUREMENT IN THIRD-PARTY RENTAL PROGRAMS** – Private owners of rental property who contract for construction/rehabilitation services and/or architectural/inspection services must follow the required state and local procurement standards for any activity on which HOME funds will be requested. Owner/contractors must also procure for services and materials provided by other companies and provide a budget/cost summary and detailed documentation (invoices, receipts, etc.) of all expenses incurred prior to requesting any HOME funds.
- 4.6 **PROFESSIONAL SERVICE PROCUREMENT (MORE THAN \$10,000)** - Professional service procurement procedures must be followed prior to the performance of any work by the professional service contractor to be paid with HOME funds. The Grantee may publicly advertise for proposals or solicit requests for proposals from at least 3 firms that offer the type of service the Grantee wishes to procure.
1. Once the proposals have been received, the preferred method of review is by a committee of at least three people who have technical knowledge of the type of service being considered.
 2. The review, including the criteria for selection, should be thorough, uniform and well-documented. The reviewers should have no potential conflicts of interest with any of the firms or individuals under review (i.e., family relationships, close friendships, or business dealings).

5. PREPARATION OF AUTOMATIC DEPOSITS FORM AND AUTHORIZED SIGNATURES FORM

- 5.1 **AUTHORIZATION AGREEMENT FOR AUTOMATIC DEPOSITS** - The Authorization Agreement for Automatic Deposits (ACH Credits - FM-1) tells the State to which financial institution the transfer of HOME funds should be sent.
- 5.2 **SIGNATURE AUTHORIZATION FORM** - The Signature Authorization Form (FM-2) designates who is permitted to sign the community's "Request for Payment". It requires at least two signatures. These forms must be completed carefully with no erasures or corrections. Blank forms will be sent to you with your contract.
- 5.3 **REVISIONS** - If these forms need to be changed (e.g., using a different financial institution or staff members change) simply provide the State with copies of revised forms with original signatures.
- 5.4 **RESUBMISSION FOR 2006** - Grantees with previous HOME contracts must submit these forms again with the 2006 contract.

6. PROGRAM DISBURSEMENT AND INFORMATION SYSTEM (92.502)

- 6.1 **IDIS SYSTEM** - The HOME Investment Trust Fund account established in the U.S. Treasury is managed through a computerized disbursement and information system established by HUD. The computerized system manages, disburses, collects and reports information on the use of HOME funds. (For purposes of reporting in the Integrated Disbursement and Information System (IDIS), a HOME project is an activity.
- 6.2 **PROJECT SET UP** - After THDA executes its HOME Agreement with HUD, complies with the environmental review requirements for release of funds, and submits the appropriate banking and security documents, it may set-up (identify) specific investments in the disbursement and information system. Investments that require the set-up of projects are acquisition, new construction, or rehabilitation of housing. The State is required to enter complete project set-up information at the time of project set-up.
 - 1. Project Set-up Reports (FM-3) are completed by the Grantees and submitted to THDA. The Program Specialists enter the data into IDIS.
 - 2. A project, which has been committed in the system for 12 months without an initial disbursement of funds, will also be automatically cancelled.
- 6.3 **DISBURSEMENT OF HOME FUNDS** - After complete project set-up information is entered into the disbursement and information system, HOME funds for the project may be drawn down from the U. S. Treasury account by THDA by electronic funds transfer.
 - 1. THDA will request HOME funds from the U.S. Treasury at the same time it requests funds from the State HOME account for transfer to the grantees.

2. HOME funds drawn from Tennessee's U. S. Treasury HOME account must be expended for eligible costs within 15 days. Any funds drawn and not expended for eligible costs within 15 days of disbursement must be returned to HUD for deposit in THDA's U. S. Treasury HOME account.
 3. To draw down funds, a grantee must submit a Request for Payment Form (FM-4) with appropriate documentation. (See *Section 7: Requests for Payment* in this Chapter.)
- 6.4 **PAYMENT CERTIFICATION** - As post-documentation of each drawdown of funds from the U. S. Treasury account, THDA or the state recipients with direct access to the disbursement and information system must keep in their project files a payment certification for each drawdown in the form of a HOME Voucher Request.
- 6.5 **PROJECT COMPLETION REPORTS** - A Project Completion Report (FM-8/HR for Homeowner Rehabilitation Projects; FM-8/HB for Homebuyer Projects; or FM-9 for Rental Projects) must be submitted to HUD within 120 days of the final drawdown request for the project. If a satisfactory Project Completion Report is not submitted by the due date, HUD will suspend further project set-ups for the State or entitlement grantee. Project set-ups will remain suspended until a satisfactory Project Completion Report is received and entered into the system.
- 6.6 **PROJECT REVISIONS** - Additional HOME funds may be committed to a project up to one year after project completion, but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount.

7. REQUESTS FOR PAYMENT

- 7.1 **REQUEST FOR PAYMENT FORM** - HOME funds are requested by using the "Request for Payment Form" (FM-4). This form must be completely and accurately filled in or it cannot be processed. If you have questions, please contact your Housing Program Specialist.
- 7.2 **SIGNATURES AND DOCUMENTATION** - The Request for Payment must be signed by two people authorized to do so and accompanied by adequate documentation of the expenditures for it to be processed. Submit the original to THDA and retain a copy for your files.
1. For rehabilitation projects, adequate documentation would include the construction contract with a work write-up attached and Status of Compliance with Lead-Based Paint Regulations (LBP-2).
 - a. If making an interim draw, the Certification and Authorization for Interim Draw (FM-5) must also be attached to the Request for Payment. An interim draw of 50% of the contract amount is only permitted if 60% of the project is completed.

- b. If making a final draw, the Certification of Completion and Final Inspection (FM-7) must be submitted as well as the Statement of Clearance (LBP-3).
- 2. For draws to reimburse administrative costs, invoices or other acceptable methods of documenting the cost of administration must be submitted. This documentation must support the charges without question.
 - a. Any salaries being charged to the grant must be listed with inclusive payroll dates, name of employee, percentage of time spent on HOME and the amount of each salary charged. Time sheets should be maintained at the locality to support these costs. DO NOT submit time sheets with the Request for Payment.
 - b. Any salaries or consultant billings must be further documented by task performed. A suggested format is the Detail of Administrative Costs (FM-6). Claims for time spent on administrative activities will NOT be paid without this documentation.
 - c. Other documentation of administrative costs must be submitted (e.g., telephone bills, supply invoices, travel claims).
 - d. Ten percent (10%) of administrative funds may be requested to cover start-up costs, then reimbursement for administrative expenses will only be made in proportion to the draw down of program funds.
 - e. All travel and per diem costs to be charged to HOME must conform to the Comprehensive Travel Regulations of the State of Tennessee. If you do not have a copy of the current travel regulations, one may be obtained from your Program Specialist.
- 7.3 **TIMEFRAME FOR PAYMENTS** - If the request is in order and can be approved, allow thirty working days after THDA receives the request for F&A to process your direct deposit. If the request is not in order, you will be contacted to correct the deficiencies.
- 7.4 **PAYMENT LIMITATIONS** - Drawdowns should only be made in amounts necessary to meet current disbursement needs. Current disbursement needs are those funds that will be expended for eligible costs within fifteen days of THDA drawing the HOME funds from the U.S. Treasury. Any funds that are drawn down and not expended for eligible costs within the 15 days must be returned to the Treasury and any interest earned after 15 days must also be remitted to the Treasury.

8. HOME PROGRAM INCOME (92.2 and 92.503)

- 8.1 **DEFINITION OF PROGRAM INCOME** - Program income means gross income received by the State or its Grantees (excluding CHDOs) which is directly generated from the use of HOME funds (including HOME program income) and matching contributions. When program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the

percentage of HOME funds or match used. Program income includes, but is not limited to:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;
2. Gross income from the use or rental of real property, owned by the State or its Grantees (excluding CHDOs), that was acquired, rehabilitated, or constructed with HOME funds or matching contributions, less costs incidental to generation of income.
 - a. Rental income from property owned by entities other than the State or its Grantees does not constitute program income;
3. Payment of principal and interest on loans made using HOME funds or matching contributions;
4. Proceeds from the sale of loans made with HOME funds or matching contributions;
5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;
6. Interest earned on program income pending its disposition; and
7. Any other interest or return on the investment permitted under 92.205(b) of HOME funds or matching contributions. (Note: This does not include recaptured funds, repayments or CHDO proceeds).
8. Income generated by a project that is funded with program income, is also HOME program income. The Final Rule at 24 CFR 92.2 defines "HOME funds" as funds made available through allocations and reallocations, *plus program income*.
9. Interest earned on funds in the State's local HOME account or on HOME funds retained by Grantees (excluding CHDOs) also constitutes HOME program income.

8.2 ACCOUNTING FOR PROGRAM INCOME - Grantees must maintain records which adequately identify the source and application of their HOME funds, including program income, as part of the financial transactions of their HOME program in accordance with 24 CFR part 85.20 or 24 CFR 84.21, as applicable.

1. Grantees are not required to identify program income by program funding year. However, the Grantee must be able to identify which projects generate program income and which projects receive program income, including the amount.
2. When program income is generated, reporting on the amount, date received, identification of the housing units and any usage of program income must be submitted to THDA at reasonable intervals.

3. A Grantee must also be able to reasonably predict anticipated program income during the next program year. Thus, a Grantee's financial management system should enable the Grantee to track program income receivable.

8.3 DISBURSEMENT OF PROGRAM INCOME - Program income that is deposited into a Grantee's (excluding CHDOs) local HOME account must be used before additional HOME allocation funds are drawn down from the State. A Grantee may not allow program income to accumulate in its local account. Available program income must be used to pay the next eligible program cost (or portion thereof). Under IDIS this is known as "first in, first out" or "fifo".

1. Grantee's receiving program income must report their cash balances of program income to THDA. THDA will then reduce the next draw for that Grantee by the amount of program income on hand. If program income has not been reported to THDA, future pay requests will not be processed for payment.
2. A Grantee must give careful attention to its program design and management to ensure that it is able to expend any program income generated and its HOME allocation within the timeframe of its HOME contract.

8.4 USE OF PROGRAM INCOME - In accordance with 24 CFR 92.503(a)(1), the State as the participating jurisdiction may authorize a Grantee to retain program income for additional HOME projects pursuant to the Written Agreement.

1. Any program income generated must be disbursed before receiving additional HOME funds. Upon expiration of the Written Agreement, any program income on hand, as well as any future program income (accounts receivable), must be returned to the State as the participating jurisdiction, as specified in the Written Agreement.
2. HOME program income must be used for HOME eligible activities, and all HOME program rules and requirements apply to the program income. The amount of program income must be included when calculating the total amount of HOME assistance for the purposes of allocating costs (24 CFR 92.205(b)) and designating HOME-assisted units (24 CFR 92.242(j)).
3. The amount of assistance provided by program income must also be included in determining the maximum per unit subsidy (24 CFR 92.250(a)); subsidy layering (24 CFR 92.250(b)); additional rental limitations (24 CFR 92.252(b)); affordability periods for rental housing (24 CFR 92.252(e)); and applicable affordability periods for homeownership (24 CFR 92.254).
4. The HOME program does not permit the establishment of a Revolving Loan Fund. However, when a Grantee administers only one HOME activity (such as a rehabilitation loan program or a homeownership program) and the State has authorized the Grantee to retain the program income by contractual arrangement, the activity may operate in a manner similar to a revolving loan fund. In those cases, the program income is deposited directly into the Grantee's HOME account to be used to fund additional HOME projects. The HOME regulations do not allow the State to authorize the establishment of

multiple HOME accounts for the same Grantee in order to create a “de facto” revolving loan fund.

8.5 PROCEEDS FROM CHDO PROJECTS - In accordance with the options given in the HOME Final Rule at 24 CFR 92.300(a)(2), the State as the participating jurisdiction permits CHDOs to retain any proceeds resulting from the CHDO’s investment of its HOME grant.

1. Proceeds which the CHDO is permitted to retain are not HOME program income and, therefore, are not subject to the HOME requirements, except as described below. Once CHDO proceeds are used, there are HOME requirements which must be met. Funds generated from the use of CHDO proceeds are not CHDO proceeds.
2. Rental income which is generated by a CHDO-owned project does not constitute CHDO proceeds.

8.6 USE OF CHDO PROCEEDS - The CHDO must use any CHDO proceeds which it is authorized to retain for HOME-eligible or other housing activities to benefit low-income families.

1. The CHDO may use up to 5% of its proceeds to pay administrative or operating costs.
2. CHDO proceeds which are retained by a CHDO are not subject to the requirements of the HOME regulations, except for 24 CFR 92.300(a)(2). Thus, the Davis-Bacon Act, National Environmental Policies Act and Uniform Relocation and Real Property Acquisition Policies Act do not apply to the use of CHDO proceeds.
3. HOME requirements continue to apply as long as a CHDO receives and uses CHDO proceeds, even if the CHDO proceeds are received or used after the Written Agreement has expired.
4. When CHDO proceeds are used, reporting on the amount, date received, identification of the housing units and any usage of CHDO proceeds must be submitted to THDA. Refer to paragraph 8.5 (1) above. The Grantee’s financial management system must enable the CHDO to track CHDO proceeds.

8.7 RECAPTURED FUNDS – Recaptured funds are HOME funds which are recouped by the Grantee whom HOME assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by 24 CFR 92.254(a)(5)(ii). In accordance with 24 CFR 92.503(c), THDA requires that recaptured funds must be returned for deposit in the State’s HOME Investment Trust Fund local account, unless the State permits the Grantee to retain the recaptured funds pursuant to the Working Agreement required by 24 CFR 92.504.



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
ACH (AUTOMATED CLEARING HOUSE) CREDITS (Not Wire Transfers)

NAME _____

Federal Identification Number or Social Security Number _____
(under which you are doing business with the State.)

I (We) hereby authorize the State of Tennessee, hereafter called the STATE, to Initiate credit entries to my (our) (select type of account) _____ CHECKING or _____ SAVINGS account indicated below and the depository named below, hereinafter called DEPOSITORY, to credit the same to such account.

This authority is to remain in full force and effect until the STATE has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the STATE and DEPOSITORY a reasonable opportunity to act on it.

Do you currently receive payments from the State through ACH? _____ (Yes or No). If yes, do you intend for this account information to replace other existing account information currently used by the State? _____ (Yes or No). If yes, please specify the account that should be changed: ABA No. _____ Account No. _____.

Is this authorization only for certain types of payments? _____ (Yes or No). If yes, please indicate types:

Many banking Institutions use different numbers for ACH. Please call your bank for verification of ACH transit and account number.

Bank official contacted: _____ Phone No. _____

DEPOSITORY/BANK NAME _____ BRANCH _____

CITY _____ STATE _____

ACH TRANSIT / ABA NO. _____ ACCOUNT NO. _____

NAME(S) _____

(Please print names of authorized account signatory)

DATE _____ SIGNED X _____ SIGNED X _____

PLEASE ATTACH A VOIDED CHECK (OR FOR SAVINGS ACCOUNTS, A DEPOSIT SLIP):

PLEASE INDICATE ADDRESS TO WHICH YOU WOULD LIKE YOUR REMITTANCE
ADVISES ROUTED WHEN PAYMENTS ARE PROCESSED:

Contact name: _____

Telephone no.: _____

FOR STATE USE ONLY:

Contact Agency: _____

Contact Person: _____

Telephone No.: _____

AUTHORIZED SIGNATURE FORM

AUTHORIZED SIGNATURES FOR REQUESTS FOR PAYMENT ON THE THDA HOME ACCOUNT	
1. Grantee Name:	2. Address:
3. Contract Number:	4. Telephone Number:
TWO ORIGINAL SIGNATURES ARE REQUIRED FOR EACH PAYMENT REQUEST SUBMITTED TO THDA	
It is recommended that four signatures be shown to permit flexibility in making draw downs. Signatures of individuals authorized to sign HOME Requests for Payment:	
5. Typed Name and Signature:	5. Typed Name and Signature:
5. Typed Name and Signature	5. Typed Name and Signature:
I certify that the signatures of the above individuals are only those persons authorized to sign HOME Requests for Payment	
6. Signature of Chief Elected Official:	Date:

NOTE: THE CHIEF ELECTED OFFICIAL WHO SIGNS IN BLOCK 6 MAY NOT BE ONE OF THE PERSONS AUTHORIZED TO SIGN A REQUEST FOR PAYMENT (PERSONS LISTED IN BLOCK 5). IN OTHER WORDS, AN ELECTED OFFICIAL CANNOT CERTIFY HIS OR HER OWN SIGNATURE.

A new form must be submitted whenever authorized signers change.

HOME Program Rental/Homebuyer/Homeowner Rehabilitation Project Set-up Report

IDIS Activity Number: _____

Mark Appropriate Box <input type="checkbox"/> Original Submission <input type="checkbox"/> Revision		
Part A: Activity Information		
1. Grantee:		2 Contract Number:
3. Type of Activity Financed (check one): <input type="checkbox"/> Rehabilitation Only <input type="checkbox"/> Acquisition Only <input type="checkbox"/> Acquisition & New Construction <input type="checkbox"/> New Construction Only <input type="checkbox"/> Acquisition & Rehabilitation		
4. Total HOME Funds for Project:		\$
a. Source of Funds		b. Dollar Amount of Funds
		\$
		\$
		\$
		\$
Total Estimated Cost of Project		\$
Part B: Project Information		
1. Street Address of Project		
a. City	b. State	c. Zip Code
2. Last Name of Owner		First Name of Owner
3. Mailing Address of Owner		
a. City	b. State	c. Zip Code
d. Phone (Including Area Code)	e. Estimated Units Upon Completion	f. Total HOME-Assisted Units Upon Completion
4. Tenure Type (Check one box only) <input type="checkbox"/> Rental <input type="checkbox"/> Homebuyer <input type="checkbox"/> Homeowner Rehab	5. If this is a CHDO activity (funded with CR), is the CHDO acting as (check one): <input type="checkbox"/> Owner <input type="checkbox"/> Sponsor <input type="checkbox"/> Developer	6. County Code
7. Developer Type: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Not-for-Profit <input type="checkbox"/> Publicly Owned <input type="checkbox"/> Other		

HOME PROGRAM REQUEST FOR PAYMENT FORM

A. GENERAL INFORMATION

1. Grantee Name:		
2. Request Number:	3. Contract Number:	4. Program Year:
5. Contact Person:		6. Telephone Number:
7. Name of Property Owner Receiving Assistance:		
8. Property Address:		

B. LINE ITEMS FOR WHICH FUNDS ARE REQUESTED

ACTIVITY	HOME REQUEST	OTHER FUNDS	TOTAL FUNDS
1. Housing Rehabilitation	\$	\$	\$
Acquisition	\$	\$	\$
Reconstruction	\$	\$	\$
New Construction	\$	\$	\$
Site Improvements/ Utility Connections	\$	\$	\$
Soft Costs	\$	\$	\$
2. Less Program Income	(\$)	\$	\$
3. Administration	\$	\$	\$
4. Total this Request	\$	\$	\$

C. CERTIFICATION

I hereby state that I have included and attached all required documentation to support this request. I have satisfied all related terms and conditions of the above cited contract. I also state that the data reported above is correct.	
Date:	Signature:
Date:	Signature:

FOR THDA USE ONLY: Approval of Request for Payment

Initial Review:	Date:	Final Review:	Date
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HOME PROGRAM INTERIM DRAW APPLICATION

Property Owner Name: _____

Property Address: _____

Contractor: _____

Proceed Order Date: _____ Completion Due Date: _____

ORIGINAL CONTRACT AMOUNT	\$
NET CHANGE BY CHANGE ORDER TO DATE	\$
CONTRACT SUM TO DATE	\$
PARTIAL PAYMENT AMOUNT	\$
BALANCE DUE UPON COMPLETION	\$

This certifies that I agree with the above statement and I am willing to authorize partial payment to said contractor in the amount of \$ _____ which I understand is _____ % of my contract amount with _____.

Owner Date

Witness Date

I hereby certify that the work is 60% complete and authorize payment to the contractor in the amount of \$ _____ which is 50% of the contract amount.

Housing Specialist Date

The undersigned Contractor certifies that the work covered by this Application for Interim Draw has been completed in accordance with the Contract Documents, and that all amounts have been paid or will be paid by the Contractor for all work which this request for payment will be issued.

Contractor Date

CERTIFICATION OF COMPLETION AND FINAL INSPECTION

Applicant's Name:	Date of Final Inspection:
Property Address:	Date Construction Began:
Total Amount of Contract:	\$

CONTRACTOR CERTIFICATION:

Construction work on the property identified as _____ has been satisfactorily completed in accordance with the contract. I have obtained or prepared all Warranties or Release of Liens necessary for loan closing. A Notice of Completion has to be filed _____ at the County of _____. I further certify that there are no unpaid claims for materials, supplies or equipment, and no claims of laborers or mechanics for unpaid wages in connection with the performance of this contract.

Date: _____

Signature of Contractor

HOMEOWNER CERTIFICATION:

Construction work on my property has been satisfactorily completed in accordance with my contract with _____ Contractor.

Date: _____

Signature of Homeowner/Applicant

CERTIFICATION OF FINAL INSPECTION:

Final inspection has been made of the property identified as _____. The construction work has been completed in accordance with the contract, and (check applicable statement:

☐ The property rehabilitated meets all local codes, ordinances, zoning ordinances and rehabilitation standards.

☐ Local codes do not exist; therefore the rehabilitated property meets the 2003 International Property Maintenance Code

☐ The property was reconstructed and local codes do not exist; therefore the property meets the 2003 International Residential Code for One- and Two Family Dwellings and the 2003 International Energy Conservation Code.

Final Payment is authorized in the amount of \$ _____.

Date: _____

Signature of Inspector

HOME Program Homeowner Rehabilitation Completion Report

IDIS Activity Number: _____

Mark Appropriate Box: ☐ Original Submission ☐ Revision

Part A: Activity Information		
1. Name of Participant:	2. Contract #:	
1. Type of Property (check one): <input type="checkbox"/> 1-4 Single Family <input type="checkbox"/> Condominium <input type="checkbox"/> Manufactured House		
Part B: Financial Structure of Activity		
Type of Activity Financed (check one): <input type="checkbox"/> Rehabilitation Only <input type="checkbox"/> Acquisition Only <input type="checkbox"/> Acquisition & New Construction <input type="checkbox"/> New Construction Only <input type="checkbox"/> Acquisition & Rehabilitation		
1. HOME Funds	(a) Grant	\$
	(b) HOME Program Income	\$
	(c) Due on Sale Loan	\$
	Total HOME Funds	\$
2. Public Funds	(a) Other Federal Funds	\$
	(b) State/Local Appropriated Funds	\$
	Total Public Funds	\$
3. Private Funds	(a) Private Loan Funds	\$
	(b) Owner Cash Contribution	\$
	(c) Private Grants	\$
	Total Private Funds (Total items (1) – (3))	\$
5. Total Activity Costs		\$
6. After Rehabilitation Value		\$
7. Property Value Limits		\$
8. Were Accessibility Improvements Made? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part C: Household Characteristics

1. Homeowner Name:

2. Property Address:

# of Bedrooms	% of Area Median	Female Head of Household? (Y/N)	Hispanic? (Y/N)	Race-Head of Household	Size of Household	Type of Household

% of Area Median Code

- 1 = 0-30%
- 2 = 30 – 50%
- 3 = 50 – 60%
- 4 = 60 – 80%

Race of Head of Household Code

- 11 = White
- 12 = Black/African American
- 13 = Asian
- 14 = American Indian/Alaskan Native
- 1 = Native Hawaiian/Other Pacific Islander
- 16 = American Indian/Alaska Native & White
- 17 = Asian & White
- 18 = Black/African American & White
- 19 = American Indian/Alaska Native & Black/African American
- 20 = Other Multi Racial

Type of Household Code

- 1 = Single/Non-Elderly (Under age 62)
- 2 = Elderly (62 age older)
- 3 = Single Parent
- 4 = Two Parents
- 5 = Other

HOME Program Homebuyer Completion Report

IDIS Activity Number: _____

Mark Appropriate Box: ☐ Original Submission ☐ Revision

Part A: Activity Information			
1. Name of Participant:		2. Contract #:	
2. Type of Property (check one): <input type="checkbox"/> 1-4 Single Family <input type="checkbox"/> Condominium <input type="checkbox"/> Manufactured House			
3. Type of Activity Financed (check one): <input type="checkbox"/> Acquisition Only <input type="checkbox"/> Acquisition & New Construction <input type="checkbox"/> New Construction Only <input type="checkbox"/> Acquisition & Rehabilitation			
4. Purchase Price		5. Value after Rehab (only applicable for Acquisition/Rehab Activities)	
Part B: Financial Structure of Activity			
1. HOME Funds (Including HOME Program Income)	(a) Property Costs		
	Grant	\$	
	Other	\$	
	(b) Downpayment Assistance		
	Grant	\$	
	Due on Sale Loan	\$	
	Total HOME Funds		\$
2. Public Funds	(a) Other Federal Funds		\$
	(b) State/Local Appropriated Funds		\$
	Total Public Funds		\$
3. Private Funds	(a) Private Loan Funds		\$
	(b) Owner Cash Contribution		\$
	(c) Private Grants		\$
	Total Private Funds		\$
5. Total Activity Costs		\$	
6. Lease Purchase? <input type="checkbox"/> Yes <input type="checkbox"/> No		If Yes, Date of Agreement	
7. Homebuyer Counseling? <input type="checkbox"/> No Counseling <input type="checkbox"/> Pre-Counseling <input type="checkbox"/> Post-Counseling <input type="checkbox"/> Both			
8. First-time Homebuyer? <input type="checkbox"/> Yes <input type="checkbox"/> No		9. FHA Insured <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part E: Household Characteristics.

4 Name of Homebuyer:

5 Property Address:

# of Bedrooms	% of Area Median	Female Head of Household? (Y/N)	Hispanic? (Y/N)	Race-Head of Household	Size of Household	Type of Household

% of Area Median Code

- 1 = 0-30%
- 2 = 30 – 50%
- 3 = 50 – 60%
- 4 = 60 – 80%

Race of Head of Household Code

- 11 = White
- 12 = Black/African American
- 13 = Asian
- 14 = American Indian/Alaskan Native
- 1 = Native Hawaiian/Other Pacific Islander
- 16 = American Indian/Alaska Native & White
- 17 = Asian & White
- 18 = Black/African American & White
- 19 = American Indian/Alaska Native & Black/African American
- 20 = Other Multi Racial

Type of Household Code

- 1 = Single/Non-Elderly (Under age 62)
- 2 = Elderly (62 age older)
- 3 = Single Parent
- 4 = Two Parents
- 5 = Other

HOME Program Rental Completion Report

IDIS Activity Number: _____

Mark Appropriate Box: ☐ Original Submission ☐ Revision

Part A: Activity Information

1. Name of Participant	2. Contract #:
3. Type of Property (check one):	
<input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Single Room Occupancy <input type="checkbox"/> None of the Above	

Part B: Financial Structure of Activity

Type of Activity Financed (check one):		
<input type="checkbox"/> Rehabilitation Only <input type="checkbox"/> Acquisition Only <input type="checkbox"/> Acquisition & New Construction <input type="checkbox"/> New Construction Only <input type="checkbox"/> Acquisition & Rehabilitation		
1. HOME Funds	(1) Grant	\$
	(2) HOME Program Income	\$
	(3) Due on Sale	\$
	Total HOME Funds	\$
2. Public Funds	(1) Other Federal Funds	\$
	(2) State/Local Appropriated Funds	\$
	Total Public Funds	\$
3. Private Funds	(1) Private Loan Funds	\$
	(2) Owner Cash Contribution	\$
	(3) Private Grants	\$
	Total Private Funds (\$
4. Total Activity Costs)		\$

Part C Household Characteristics. .

Property Address:

[illegible]

% of Area Median Code

- 1 = 0-30%
2 = 30 – 50%
3 = 50 – 60%
4 = 60 – 80%

Occupancy Code

- 1 = Tenant
2 = Owner
3 = Vacant

Race of Head of Household Code

- 11 = White
12 = Black/African American
13 = Asian
14 = American Indian/Alaskan Native
15 = Native Hawaiian/Other Pacific Islander
16 = American Indian/Alaska Native & White
17 = Asian & White
18 = Black/African American & White
19 = American Indian/Alaska Native &
Black/African American
20 = Other Multi Racial

Head of Household Code

- 1 = Single/Non-Elderly (under age 62)
2 = Elderly (62 and older)
3 = Single Parent
4 = Two Parents
5 = Other

Rental Assistance Code

- 1 = Section 8
2 = HOME TBRA
3 = Other
4 = No Assistance

This document has important legal consequences; consultation with an attorney is encouraged with respect to its completion or modification.

STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES

THIS IS AN AGREEMENT made as of _____, 19____
between

_____(OWNER) and
_____(ENGINEER).

OWNER intends to

(hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER as set forth below.

SECTION 1 – BASIC SERVICES OF ENGINEER

1.1 General

1.1.1.1 ENGINEER shall provide for OWNER professional engineering services in all phases of the Project to which the Agreement supplies as hereinafter provided. These services will include serving as OWNER's professional engineering representative of the Project, providing professional engineering consultation and advice and furnishing customary civil, structural, mechanical and electrical engineering services and customary architectural services incidental thereto.

1.2 Study and Report Phase

After written authorization to proceed,
ENGINEER shall:

1.2.1 Consult with OWNER to clarify and define OWNER's requirements for the Project and review available data.

1.2.2 Advise OWNER as to the necessity of OWNER's providing or obtaining from others data or services of the types described in paragraph 3.3 and assist OWNER in obtaining such data and services.

1.2.3 Identify and analyze requirements of governmental authorities having jurisdiction to approve the design of the Project and participate in consultations with such authorities.

1.2.4 Provide analysis of OWNER's needs, planning surveys, site evaluations and comparative studies of prospective sites and solutions.

1.2.5 Provide a general economic analysis of OWNER's requirements applicable to various alternatives.

1.2.6 Prepare a Report containing schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate clearly the considerations involved (including applicable requirements of governmental authorities having jurisdiction as aforesaid) and the alternative solutions available to OWNER and setting forth ENGINEER's findings and recommendations. This Report will be accompanied by ENGINEER's opinion of probable costs for the Project, including the following which will be separately itemized: Construction Cost, allowance for engineering costs and contingencies, and (on the basis of information furnished by OWNER) allowances for such other items as charges of all other professionals and consultants, for the cost of land and rights-of-way, for compensation for or damages to properties, for interest and financing charges and for other services to be provided by others for OWNER pursuant to paragraphs 3.7 through 3.11, inclusive. The total of all such costs, allowances, etc. are hereinafter called "Total Project Costs".

1.2.7 Furnish five copies of the Study and Report documents and review them in person with OWNER.

The duties and responsibilities of ENGINEER during the Study and Report Phase are amended and supplemented as indicated in paragraph 2 of Exhibit A "Further Descriptions of Basic Engineering Services and Related Matters."

1.3 Preliminary Design Phase

After written authorization to proceed with the Preliminary Design Phase, ENGINEER shall:

1.3.1 In consultation with OWNER and on the basis of the accepted Study and Report documents, determine the general scope, extent and character of the Project.

1.3.2 Prepare Preliminary Design documents consisting of final design criteria, preliminary drawings, outline specifications and written descriptions of the Project.

1.3.3 Advise OWNER if additional data or services of the types described in paragraph 3.4 are necessary and assist OWNER in obtaining such data and services.

1.3.4 Based on the information contained in the preliminary design documents, submit a revised opinion of probable Total Project Costs.

1.3.5 Furnish five copies of the above Preliminary Design documents and present and review them in person with OWNER.

The duties and responsibilities of ENGINEER during the Preliminary Design Phase are amended and supplemented as indicated in paragraph 3 of Exhibit A "Further Description of Basic Engineering Services and Related Matters."

1.4 Final Design Phase

After written authorization to proceed with the Final Design Phase, Engineer shall:

1.4.1 On the basis of the accepted Preliminary Design documents and the revised opinion of probable Total Project Costs prepare for incorporation in the Contract Documents final drawings to show the general scope, extent and character of the work to be furnished and performed by Contractor(s) (hereinafter called "Drawings") and Specifications (which will be prepared in conformance with the sixteen division format of the Construction Specification Institute).

1.4.2 Provide technical criteria, written descriptions and design data for OWNER's use in filing applications for permits with or obtaining approvals of such governmental authorities as have jurisdiction to approve the design of the Project, and assist OWNER in consultations with appropriate authorities.

1.4.3 Advise OWNER of any adjustments to the latest opinion of probable Total Project Cost caused by changes in general scope, extent or character or design requirements of the Project or Construction Costs. Furnish to OWNER a revised opinion of probable Total Project Costs based on the Drawings and Specifications.

1.4.4 Prepare for review and approval by OWNER, its legal counsel and other advisors contract agreement forms, general conditions and supplementary conditions, and (where appropriate) bid forms, invitations to bid and instructions to bidders (all of which shall be consistent with the forms and pertinent guide sheet prepared by the Engineers Joint Contract Documents Committee), and assist in the preparation of other related documents.

1.4.5 Furnish five copies of the above documents and of the Drawings and Specifications and present and review them in person with OWNER.

The duties and responsibilities of ENGINEER during the Final Design Phase are amended and supplemented as indicated in paragraph 4 of Exhibit A "Further Description of Basic Engineering Services and Related Matters."

1.5 Bidding or Negotiating Phase

After written authorization to proceed with the Bidding or Negotiating Phase, ENGINEER shall:

1.5.1 Assist OWNER in advertising for and obtaining bids or negotiating proposals for each separate prime contract for construction, materials, equipment and services; and, where applicable, maintain a record of prospective bidders to whom Bidding Documents have been issued, attend pre-bid conferences and receive and process deposits for Bidding Documents.

1.5.2 Issue addenda as appropriate to interpret, clarify or expand the Bidding Documents.

1.5.3 Consult with and advise OWNER as to the acceptability or subcontractors, suppliers and other persons and organizations proposed by the prime contractor(s) (herein called "Contractor(s)") for those portions of the work as to which such acceptability is required by the Bidding Documents.

1.5.4 Consult with OWNER concerning and determine the acceptability of substitute materials and equipment proposed by Contractor(s) when substitution prior to the award of contracts is allowed by the Bidding Documents.

1.5.5 Attend the bid opening, prepare bid tabulation sheets and assist OWNER in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services.

The duties and responsibilities of ENGINEER during the Bidding or Negotiating Phase are amended and supplemented as indicated in paragraph 5 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

1.6 Construction Phase

During the Construction Phase:

1.6.1 *General Administration of Construction Contract.* ENGINEER shall consult with and advise OWNER and act as OWNER's representative as provided in Articles 1 through 17, inclusive, of the Standard General Conditions of the Construction Contract, No. 1910-8 (1983 edition) of the Engineers Joint Contract Documents Committee. The extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned in said Standard General Conditions shall not be modified, except to the extent provided in

paragraph 6 of Exhibit A "Further Description of Basic Engineering Services and Related Matters" and except as ENGINEER may otherwise agree in writing. All of OWNER's instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of OWNER to the extent provided in said Standard General Conditions except as otherwise provided in writing.

1.6.2 *Visits to Site and Observation of Construction.* In connection with observations of the work of Contractor(s) while it is in progress:

1.6.2.1 ENGINEER shall make visits to the site at intervals appropriate to the various stages of construction as ENGINEER deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspect of Contractor(s)' work. In addition, ENGINEER shall provide the services of a Resident Project Representative (and assistants as agreed) at the site to assist ENGINEER and to provide more continuous observation of such work. Based on information obtained during such visits and on such observations, ENGINEER shall endeavor to determine in general if such work is proceeding in accordance with the Contract Documents and ENGINEER shall keep OWNER informed of the progress of the work.

1.6.2.2 The Resident Project Representative (and any assistants) will be ENGINEER's agent or employee and under ENGINEER's supervision. The duties and responsibilities of the Resident Project Representative (and assistants) are set forth in Exhibit B "Duties, Responsibilities and Limitation of Authority of Resident Project Representative".

1.6.2.3 The purpose of ENGINEER's visits to and representation by the Resident Project Representative (and assistants, if any) at the site will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by exercise of ENGINEER's efforts as an experienced and qualified design

professional, to provide for OWNER a greater degree of confidence that the completed work of Contractor(s) will conform generally to the Contract Documents and that the integrity of the design concept as reflected in the Contract Documents has been implemented and preserved by Contractor(s). On the other hand, ENGINEER shall not, during such visits or as a result of such observations of Contractor(s) work in progress, supervise, direct or have control over Contractor(s) work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s), for safety precautions and programs incident to the work of Contractor(s) or for any failure of Contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor(s) furnishing and performing their work. Accordingly, ENGINEER can neither guarantee the performance of the construction contracts by Contractor(s) nor assume responsibility for Contractor(s)' failure to furnish and perform their work in accordance with the Contract Documents.

1.6.3 *Defective Work.* During such visits and on the basis of such observations, ENGINEER may disapprove of or reject Contractor(s)' work while it is in progress if ENGINEER believes that such work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the Project as reflected in the Contract Documents.

1.6.4 *Interpretations and Clarifications.* ENGINEER shall issue necessary interpretations and clarifications of the Contract Documents and in connection therewith prepare work directive changes and change orders as required.

1.6.5 *Shop Drawings.* ENGINEER shall review and approve (or take other appropriate action in respect of) Shop Drawings (as that term is defined in the aforesaid Standard General Conditions), samples and other data which Contractor(s) are required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents. Such reviews and approvals or other action shall not extend to

means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto.

1.6.6 *Substitutes.* ENGINEER shall evaluate and determine the acceptability of substitute materials and equipment proposed by Contractor(s), but subject to the provision of paragraph 2.2.2.

1.6.7 *Inspections and Tests.* ENGINEER shall have authority, as OWNER's representative, to require special inspection or testing of the work and shall receive and review all certificates of inspections, testings and approvals required by laws, rules, regulations, ordinances, codes, orders or the Contract Documents (but only to determine generally that their content complies with the requirements of, and the results certified indicate compliance with, the Contract Documents).

1.6.8 *Disputes between OWNER and Contractor.* ENGINEER shall act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder and make decisions on all claims of OWNER and Contractor(s) relating to the acceptability of the work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work. ENGINEER shall not be liable for the results of any such interpretation or decisions rendered in good faith.

1.6.9 *Applications for Payment.* Based on ENGINEER's on-site observations as an experienced and qualified design professional, on information provided by the Resident Project Representative and on review of applications for payment and the accompanying data and schedules:

1.6.9.1 ENGINEER shall determine the amounts owing the Contractor(s) and recommend in writing payments to Contractor(s) in such amounts. Such recommendations of payment will constitute a representation to OWNER, based on such observations and review, that the work has progressed to the point indicated, and that, to the best of ENGINEER's knowledge, information and belief, the quality of such work is generally in accordance with the Contract Documents (subject to an evaluation of such work as a functioning whole prior to or upon Substantial

Completion, to the results of any subsequent tests called for in the Contract Documents and to any other qualifications stated in the recommendation). In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of such work (subject to any subsequent adjustments allowed by the Contract Documents).

1.6.9.2 By recommending any payment ENGINEER will not thereby be deemed to have represented that exhaustive, continuous or detailed reviews of examinations have been made by ENGINEER to check the quality or quantity of Contractor(s)' work as it is furnished and performed beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. ENGINEER's review of Contractor(s) work for the purposes of recommending payment will not impose on ENGINEER responsibility to supervise, direct or control such work or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto or Contractor(s) compliance with laws, rules, regulations, ordinances, codes or orders applicable to their furnishings and performing the work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes any Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any of the work, materials or equipment has passed to OWNER free and clear of any lien, claims, security interest or encumbrances, or that there may not be other matters at issue between OWNER and CONTRACTOR that might affect the amount he should be paid.

1.6.10 *Contractor(s)' Completion Documents.* ENGINEER shall receive and review maintenance and operating instructions, schedules, guarantees, bonds and certificates of inspection, tests and approvals which are to be assembled by Contractor(s) in accordance with the Contract Documents (but such review will only be to determine that their content complies with the

requirements of, and in the case of certificate of inspection, tests and approvals the results certified indicate compliance with, the Contract Documents); and shall transmit them to OWNER with written comments.

1.6.11 *Inspections.* ENGINEER shall conduct an inspection to determine if the work is substantially complete and a final inspection to determine if the completed work is acceptable so the ENGINEER may recommend, in writing, final payment to Contractor(s) and may give written notice to OWNER and the Contractor(s) that the work is acceptable (subject to any conditions therein expressed), but any such recommendations and notice will be subject to the limitations expressed in paragraph 1.6.9.2.

1.6.12 *Limitation of Responsibilities.* ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractor or supplier, or any of the Contractor(s)' or subcontractor's or supplier's agents or employees or any other persons (except ENGINEER's own employees and agents) at the site or otherwise furnishing or performing any of the Contractor(s)' work; however, nothing contained in paragraph 1.6.1 through 1.6.11 inclusive, shall be construed to release ENGINEER from liability for failure to properly perform duties and responsibilities assumed by ENGINEER in the Contract Documents.

1.7 Operational Phase.

During the Operational Phase, ENGINEER shall, when requested by OWNER:

1.7.1 Provide assistance in the closing of any financial or related transaction for the Project.

1.7.2 Provide assistance in connection with the refining and adjusting of any equipment or system.

1.7.3 Assist OWNER in training OWNER's staff to operate and maintain the Project.

1.7.4 Assist OWNER in developing systems and procedures for control of the operation and maintenance of and record keeping for the Project.

1.7.5 Prepare a set of reproducible record prints of Drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished by Contractor(s) to ENGINEER and which ENGINEER considers significant.

1.7.6 In company with OWNER, visit the Project to observe any apparent defects in the completed construction, assist OWNER in consultations and discussions with Contractor(s) concerning corrections of such deficiencies, and make recommendations as to replacement or correction of defective work.

The duties and responsibilities of ENGINEER during the Operational Phase are amended and supplemented as indicated in paragraph 7 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

SECTION 2 – ADDITIONAL SERVICES OF ENGINEER

2.1 Services Requiring Authorization in Advance

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others Additional Services of the types listed in paragraphs 2.1.1 through 2.1.14, inclusive. These services are not included as part of Basic Services except to the extent provided otherwise in Exhibit A "Further Description of Basic Engineering Services and Related Matters"; these will be paid for by OWNER as indicated in Section 5.

2.1.1 Preparation of applications and supporting documents (in addition to those furnished under Basic Services) for private or governmental grants, loans or advances in connection with the Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effect on the design requirements of the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.

2.1.2 Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.3 Services resulting from significant changes in the general scope, extent or character of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, character of construction, method of financing; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or

documents, or are due to any other causes beyond ENGINEER's control.

2.1.4 Providing renderings or models for OWNER's use.

2.1.5 Preparing documents for alternate bids requested by OWNER for Contractor(s) work which is not executed or documents for out-of-sequence work.

2.1.6 Investigations and studies involving, but not limited to, detailed consideration of operations, maintenance and overhead expenses; providing value engineering during the course of design; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; assistance in obtaining financing for the Project; evaluating processes available for licensing and assisting OWNER in obtaining process licensing; detailed quantity surveys of material, equipment and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.7 Furnishing services of independent professional associates and consultant for other than Basic Services (which include, but are not limited to, customary civil, structural, mechanical and electrical engineering and customary architectural design incidental thereto); and providing data or services of the types described in paragraph 3.4 when OWNER employs ENGINEER to provide such data or services in lieu of furnishing the same in accordance with paragraph 3.4.

2.1.8 If ENGINEER's compensation is on the basis of a lump sum or percentage of Construction Cost or cost-plus a fixed fee method of payment, services resulting from the award of more separate prime contracts for construction, materials or equipment for the Project than are contemplated by paragraph 5.1.1.2. If ENGINEER's compensation is on the basis of a percentage of Construction Cost and ENGINEER has been required to prepare Contract Documents on the assumption that more than one prime contract will be awarded for construction, materials or equipment, but only one prime contract is awarded for construction, materials and equipment for the Project, services attributable to the preparation of contract documentation that was rendered unusable and any revisions or additions to contract documentation used that was necessitated by the award on only one prime contract.

2.1.9 Services during out-of-town travel required of ENGINEER other than visits to the site or OWNER's office as required by Section 1.

2.1.10 Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment or services, except when such assistance is required to complete services called for in paragraph 6.2.2.5.

2.1.11 Providing any type of property surveys or related engineering services needed for the transfer of interest in real property and field surveys for design purposes and engineering surveys and staking to enable Contractor(s) to proceed with their work; and providing other special field surveys.

2.1.12 Preparation of operating, maintenance and staffing manuals to supplement Basic Services under paragraph 1.7.3.

2.1.13 Preparing to serve or serving as a consultant or witness for OWNER in any litigation, arbitration or other legal or administrative proceeding involving the Project (except for assistance in consultations which is included as part of Basic Services under paragraphs 1.2.3 and 1.4.2).

2.1.14 Additional services in connection with the Project, including services which are to be furnished by OWNER in accordance with Article 3, and services not otherwise provided for in this Agreement.

2.2 Required Additional Services

When required by the Contract Documents in circumstances beyond ENGINEER's control, ENGINEER shall furnish or obtain from others, as circumstances require during construction and without waiting for specific authorization from OWNER, Additional Services of the types listed in paragraphs 2.2.1 through 2.2.6, inclusive (except to the extent otherwise provided in Exhibit A "Further Description of Basic Engineering Services and Related Matters"). These services are not included as part of Basic Services. Engineer shall advise OWNER promptly after starting any such Additional Services which will be paid by OWNER as indicated in Section 5.

2.2.1 Services in connection with work directive changes and change orders to reflect changes requested by OWNER if the resulting change in compensation for Basic Services is not

commensurate with the additional services rendered.

2.2.2 Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitutions proposed by Contractor(s); and services after the award of each contract in evaluating and determining the acceptability of an unreasonable or excessive number of substitutions proposed by Contractor.

2.2.3 Services resulting from significant delays, changes or price increases occurring as a direct or indirect result of material, equipment or energy shortages.

2.2.4 Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of any Contractor, (3) acceleration of the progress schedule involving services beyond normal working hours, and (4) default by any Contractor.

2.2.5 Services (other than Basic Services during the Operational Phase) in connection with any partial utilization of any part of the Project by OWNER prior to Substantial Completion.

2.2.6 Evaluating an unreasonable or extensive number of claims submitted by Contractor(s) or others in connection with the work.

SECTION 3 – OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of ENGINEER:

3.1 Designate in writing a person to act as OWNER's representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with respect to ENGINEER's services for the Project.

3.2 Provide all criteria and full information as to OWNER's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expendability, and any budgetary limitation; and furnish copies of all design and construction standards which OWNER will require to be included in the Drawings and Specifications.

3.3 Assist ENGINEER by placing at ENGINEER's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.

3.4 Furnish to ENGINEER, as required for performance of ENGINEER's Basic Services (except to the extent provided otherwise in Exhibit A "Further Description of Basic Engineering Services and Related Matters"), the following:

3.4.1 data prepared by or services of others, including without limitation borings, probings and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment;

3.4.2 appropriate professional interpretation of all the foregoing;

3.4.3 environmental assessment and impact statements;

3.4.4 property boundary, easement, right-of-way, topographic and utility surveys;

3.4.5 property descriptions;

3.4.6 zoning, deed and other land use restrictions; and

3.4.7 other special data or consultations not covered in Section 2;

all of which ENGINEER may use and rely upon in performing services under this Agreement.

3.5 Provide engineering surveys to establish reference points for construction (except to the extent provided otherwise in Exhibit A "Further Description of Basic Engineering Services and Related Matters") to enable Contractor(s) to proceed with the layout of the work.

3.6 Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform services under this Agreement.

3.7 Examine all studies, reports, sketches, Drawings, Specifications, proposals and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as OWNER deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.8 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.9 Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project; such legal services as OWNER may require or ENGINEER may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s); such auditing service as OWNER may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract; and such inspection services as OWNER may require to ascertain that Contractor(s) are complying with any law, rule, regulations, ordinance, code or order applicable to their furnishing and performing the work.

3.10 If OWNER designates a person to represent OWNER at the site who is not ENGINEER or ENGINEER's agent or employee, the duties, responsibilities and limitations of authority of such other person and the affect thereof on the duties and responsibilities of ENGINEER and Resident Project Representative (and any assistants) will be set forth in an exhibit that is to be identified, attached to and made a part of this Agreement before such services begin.

3.11 If more than one prime contract is to be awarded for construction, materials, equipment and services for the entire Project, designate a person or organization to have authority and responsibility for coordinating the activities among the various prime contractors.

3.12 Furnish to ENGINEER data or estimated figures as to OWNER's anticipated costs for services to be provided by others for OWNER (such as services pursuant to paragraph 3.7 through 3.11 inclusive and other costs of the types referred to in paragraph 1.2.6) so that ENGINEER may make the necessary findings to support opinions of probable Total Project Costs.

3.13 Attend the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings and substantial completion inspections and final payment inspections.

3.14 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise

become aware of any development that effects the scope or timing of ENGINEER's services, or any defect or non-conformance in the work of any Contractor.

3.15 Furnish, or direct ENGINEER to provide, Additional Services as stipulated in paragraph 2.1 of this Agreement or other services as required.

3.16 Bear all costs incident to compliance with the requirements of this Section 3.

SECTION 4 – PERIODS OF SERVICES

4.1 The provisions of this Section 4 and the various rates of compensation for ENGINEER's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Construction Phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design, award of contracts, construction and initial operation of the Project including extra work and required extensions thereto. If in Exhibit A "Further Description of Basic Engineering Services and Related Matters" specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of ENGINEER, all rates, measures and amounts of compensation provided herein shall be subject to equitable adjustment.

4.2 The services called for in the Study and Report Phase will be completed and the Report submitted within the stipulated period indicated in paragraph 2 of Exhibit A "Further Description of Basic Engineering Services and Related Matters" after written authorization to proceed with that phase of services which will be given by OWNER within thirty days after ENGINEER has signed this Agreement.

4.3 After acceptance by OWNER of the Study and Report Phase documents indicating any specific modifications or changes in the general scope, extent or character of the Project desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Preliminary Design Phase, and shall submit preliminary design documents and a revised opinion of probable Total Project Costs within the stipulated period indicated in

paragraph 3 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

4.4 After acceptance by OWNER of the Preliminary Design Phase documents and revised opinion of probable Total Project Costs, indicating any specific modifications or changes in the general scope, extent or character of the Project desired by OWNER, and upon written authorization from OWNER, ENGINEER shall proceed with the performance of the services called for in the Final Design Phase; and shall deliver Contract Documents and a revised opinion of probable Total Project Costs for all work Contractor(s) on the Project within the stipulated period indicated in paragraph 4 of Exhibit A "Further Description of Basic Engineering Services and Related Matters".

4.5 ENGINEER's services under the Study and Report Phase, Preliminary Design Phase and Final Design Phase shall each be considered complete at the earlier of (1) the date when the submissions for that phase have been accepted by OWNER or (2) thirty days after the date when such submissions are delivered to OWNER for final acceptance, plus in each case such additional time as may be considered reasonable for obtaining approval of governmental authorities having jurisdiction to approve the design of the Project.

4.6 After acceptance by OWNER of ENGINEER's Drawings, Specifications and other Final Design Phase documentation including the most recent opinion of probable Total Project Costs and upon written authorization to proceed, ENGINEER shall proceed with performance of the services called for in the Bidding or Negotiating Phase. This Phase shall terminate and the services to be rendered thereunder shall be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective Contractor(s) (except as may otherwise be required to complete the services called for in paragraph 6.2.2.5)

4.7 The Construction Phase will commence with the execution of the first prime contract to be executed for the work of the Project or any part thereof, and will terminated upon written recommendation by ENGINEER of final payment on the last prime contract to be completed. Construction Phase services may be rendered at different times in respect of separate prime contracts if the Project involves more than one prime contract.

4.8 The Operational Phase will commence during the Construction Phase and will terminate one year after the date of Substantial Completion of the last prime contract for construction, materials and equipment on which substantial completion is achieved.

4.9 If OWNER has requested significant modifications or changes in the general scope, extent or character of the Project, the time of performance of ENGINEER's services shall be adjusted equitably.

4.10 If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if the Construction Phase has not commenced within _____ calendar days (plus such additional time as may be required to complete the services called for under paragraph 6.2.2.5) after completion of the Final Design Phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this Agreement.

4.11 If ENGINEER's services for design or during construction on the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control, ENGINEER shall on written demand to OWNER (but without termination of this Agreement) be paid as provided in paragraph 5.3.2. If such delay or suspension extends for more than one year for reasons beyond ENGINEER's control, or if ENGINEER for any reason is required to render Construction Phase services in respect of any prime contract for construction, materials or equipment more than one year after Substantial Completion is achieved under that contract, the various rates of compensation provided for elsewhere in this Agreement shall be subject to equitable adjustment.

4.12 In the event that the work designed or specified by ENGINEER is to be furnished or performed under more than one prime contract, or if ENGINEER's services are to be separately sequenced with the work of one or more prime contractors (such as in the case of fast-tracking), OWNER and ENGINEER shall, prior to commencement of the Final Design Phase, develop a schedule for performance of ENGINEER's services during the Final Design, Bidding or Negotiating and Construction Phases, in order to sequence and coordinate properly such services as are applicable to the work under such separate contract. This schedule is

to be prepared whether or not the work under such contracts is to proceed concurrently and is to be included in Exhibit A "Further Description of Basic Engineering Services and Related Matters", and the provisions of paragraphs 4.4 through 4.10 inclusive, will be modified accordingly.

SECTION 5 – PAYMENTS TO ENGINEER

5.1 Methods of Payment for Services and Expenses of ENGINEER

5.1.1 *For Basic Services.* OWNER shall pay ENGINEER for Basic Services rendered under Section 1 (as amended and supplemented by Exhibit A "Further Description of Basic Engineering Services and Related Matters") as follows:

5.1.1.1 *One Prime Contract.* If only one prime contract is awarded for construction, materials and equipment for the Project, a lump sum fee of \$_____ for all Basic Services (except services of ENGINEER's Resident Project Representative (and assistants) furnished under paragraph 1.6.2.1 and Operational Phase services furnished under paragraph 1.7).

5.1.1.2 *Several Prime Contracts.* If more than one but less than _____ separate contracts are awarded for construction, materials and equipment for the Project, a lump sum fee of \$_____ for all Basic Services ((except services of ENGINEER's Resident Project Representative (and assistants) furnished under paragraph 1.6.2.1 and Operational Phase services furnished under paragraph 1.7).

5.1.1.3 *Resident Project Services.* For services of ENGINEER's Resident Project Representative (and assistants) furnished under paragraph 1.6.2.1, on the basis of the fixed hourly rates per Attachment _____ the total of which shall not exceed \$_____ for services rendered by principals and employees assigned to Resident Project Representation.

5.1.1.4
Project.

5.1.2 *For Additional Services.* OWNER shall pay ENGINEER for Additional Services rendered under Section 2 as follows:

5.1.2.1 *General.* For Additional Services of ENGINEER's principals and employees engaged directly on the Project and rendered pursuant to paragraph 2.1 or 2.2 (except services as a consultant or witness under paragraph 2.1.13), on the basis of fixed hourly rates per Attachment _____ the total of which shall _____ not _____ exceed \$_____.

5.1.2.2 *Professional Associates and Consultants.* For services and Reimbursable expenses of independent professional associates and consultants employed by ENGINEER to render Additional Services pursuant to paragraph 2.1 or 2.2, the amount billed to ENGINEER therefore times a factor of _____.

5.1.2.3 *Serving as Witness.* For services rendered by ENGINEER's principals and employees as consultants or witnesses in any litigation, arbitration or other legal or administrative proceeding in accordance with paragraph 2.1.13, at the rate of \$_____ per day or any portion thereof (but compensation for the time spent in preparing to appear in any such litigation, arbitration or proceeding will be on the basis provided in paragraph 5.1.2.1). Compensation for ENGINEER's independent professional associates and consultants will be on the basis provided in paragraph 5.1.2.2.

5.1.3 *For Reimbursable Expenses.* In addition to payments provided for in paragraphs 5.1.1 and 5.1.2, OWNER shall pay ENGINEER the actual costs of all Reimbursable Expenses incurred in connection with all Basic and Additional Services.

5.1.4 The terms "Salary Costs" and "Reimbursable Expenses" have the meanings assigned to them in paragraph 5.4.

5.2 Times of Payment

ENGINEER shall submit monthly statements for Basic and Additional Services rendered and for Reimbursable Expenses incurred. The statements will be based upon ENGINEER's

estimate of the proportion of the total services actually completed at the time of the billing. OWNER shall make prompt monthly payments in response to ENGINEER's monthly statements.

5.3 Other Provisions Concerning Payment

5.3.1 In the event of termination by OWNER under paragraph 7.1 upon the completion of any phase of the Basic Services, progress payments due ENGINEER for services rendered through such phase shall constitute total payment for such services. In the event of such termination by OWNER during any phase of the Basic Services, ENGINEER will be paid for services rendered during that phase on the basis of the fixed hourly rates per Attachment _____ the total of which shall not exceed \$_____ for services rendered during that phase to date of termination by ENGINEER's principals and employees engaged directly on the Project. In the event of any such termination, ENGINEER also will be reimbursed for the charges of independent professional associates and consultants employed by ENGINEER to render Basic Services, and paid for all unpaid Reimbursable Expenses, plus all termination expenses. Termination expenses mean Reimbursable Expenses directly attributable to termination.

5.3.2 Records of ENGINEER's Salary Costs pertinent to ENGINEER's compensation under this Agreement will be kept in accordance with generally accepted accounting practices. Copies will be made available to OWNER at cost on request prior to final payment for ENGINEER's services.

5.4 Definitions

5.4.1 The Salary Costs used as a basis for payment mean salaries and wages (basic and incentive) paid to all ENGINEER's personnel engaged directly on the Project, including, but not limited to, engineers, architects, surveyors, designers, draftsmen, specification writers, estimators, other technical and business personnel; plus the cost of customary and statutory benefits including, but not limited to, social security contributions, unemployment, excise and payroll taxes, workers' compensation, health and retirement benefits, sick leave, vacation and holiday pay and other group benefits. For the purposes of this Agreement, the principals of ENGINEER and their current hourly Salary Costs are:

The hourly Salary Costs of principals of ENGINEER will be adjusted equitably to reflect changes in personnel and in ENGINEER's overall compensation procedures and practices.

The amount of customary and statutory benefits of all other personnel of ENGINEER will be considered equal to _____% of salaries and wages, subject to equitable adjustment to reflect changes in ENGINEER's overall compensation procedures and practices.

5.4.2 Reimbursable Expenses mean the actual expenses incurred by ENGINEER or ENGINEER's independent professional associates or consultants, directly or indirectly in connection with the Project, such as expenses for: transportation and subsistence incidental thereto; obtaining bids or proposals from Contractor(s); providing and maintaining field office facilities including furnishings and utilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and telegrams; reproduction of reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1; and if authorized in advance by OWNER, overtime work requiring higher than regular rates.

SECTION 6 – CONSTRUCTION COST AND OPINIONS OF COST

6.1 Construction Cost

The construction cost of the entire Project (herein referred to as "Construction Costs") means the total cost to OWNER of those portions of the entire Project designed and specified by ENGINEER, but it will not include ENGINEER's compensation and expenses, the cost of land, rights-of-way, or compensation for or damages to, properties unless this Agreement so specifies, nor will it include OWNER's legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with the Project or the cost of other services to be provided by others to OWNER pursuant to paragraphs 3.7 through 3.11, inclusive. [Construction Cost is one of the items comprising Total Project Costs which is defined in paragraph 1.2.6.]

6.2 Opinions of Cost

6.2.1 Since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, ENGINEER's opinions of probable Total Project Costs and Construction Costs provided for herein are to be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgement as an experienced and qualified professional engineer, familiar with the construction industry; but ENGINEER cannot and does not guarantee that proposals, bids or actual Total Project or Construction Costs will not vary from opinions of probable cost prepared by ENGINEER. If prior to the Bidding or Negotiating Phase OWNER wishes greater assurance as to Total Project or Construction Costs, OWNER shall employ an independent cost estimator as provided in paragraph 3.9.

6.2.2 If a Construction Cost limit is established by written agreement between OWNER and ENGINEER and specifically set forth in this Agreement as a condition thereto, the following will apply:

6.2.2.1 The acceptance by OWNER at any time during the Basic Services of the revised opinion of probable Total Project or Construction Costs in excess of the then established cost limit will constitute a corresponding revision in the Construction Cost limit to the extent indicated in such revised opinion.

6.2.2.2 Any Construction Cost limit so established will include a contingency of ten percent unless another amount is agreed upon in writing.

6.2.2.3 ENGINEER will be permitted to determine what types of materials, equipment and component systems are to be included in the Drawings and Specifications and to make reasonable adjustments in the general scope, extent and character of the Project to bring it within the cost limit.

6.2.2.4 If the Bidding or Negotiating Phase has not commenced within six months after completion of the Final Design Phase, the established Construction Cost limit will not be binding on ENGINEER, and OWNER shall consent to an adjustment in such cost limit commensurate with any applicable change in the general level of prices in

the construction industry between the date of completion of the Final Design Phase and the date on which proposals or bids are sought.

6.2.2.5 If the lowest bona fide proposal or bid exceeds the established Construction Cost limit, OWNER shall (1) give written approval to increase such cost limit, (2) authorize negotiating or rebidding the Project within a reasonable time, or (3) cooperate in revising the Project's general scope, extent or character to the extent consistent with the Project's requirements and with sound engineering practices. In the case of (3), ENGINEER shall modify the Contract Documents as necessary to bring the Construction Cost within the cost limit. In lieu of other compensation for services in making such modifications, OWNER shall pay ENGINEER ENGINEER's cost or such services, all overhead expenses reasonably related thereto and Reimbursable Expenses, but without profit to ENGINEER on account of such services. The providing of such service will be the limit of ENGINEER's responsibility in this regard and, having done so, ENGINEER shall be entitled to payment for services in accordance with this Agreement and will not otherwise be liable for damage attributable to the lowest bona fide proposal or bid exceeding the established Construction Cost.

SECTION 7 – GENERAL CONSIDERATION

7.1 Termination.

The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

7.2 Reuse of Documents.

All documents including Drawings and Specifications prepared for furnished by ENGINEER (and ENGINEER's independent professional associates and consultants) pursuant to this Agreement are instruments of service in respect of the Project and ENGINEER shall retain an ownership and property interest therein whether or not the Project is completed.

OWNER may make and retain the use copies for information and reference in connection with the use and occupancy of the Project by OWNER and others; however, such documents are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, or to ENGINEER's independent professional associates or consultants, and OWNER shall indemnify and hold harmless ENGINEER and ENGINEER's independent professional associates and consultants from all claims, damages, losses and expense including attorney's fees arising out of or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

7.3 Insurance.

7.3.1 ENGINEER shall procure and maintain insurance for protection from claims under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom.

7.4 Controlling Law.

This Agreement is to be governed by the law of the principal place of business of ENGINEER.

7.5 Successors and Assigns.

7.5.1 OWNER and ENGINEER each is hereby bound and the partners, successors, executors, administrators and legal representatives of OWNER and ENGINEER (and to the extent permitted by 7.5.2 the assigns of OWNER and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

7.5.2 Neither OWNER nor ENGINEER shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is

mandated bylaw or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent ENGINEER from employing such independent professional associates and consultants as ENGINEER may deem appropriate to assist in the performance of services hereunder.

7.5.3 Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than OWNER and ENGINEER, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of OWNER and ENGINEER and not for the benefit of any other party.

7.6 Arbitration.

7.6.1 All claims, counterclaims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or the breach thereof will be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then obtaining, subject to the limitations and restriction stated in paragraph 7.6.3 and 7.6.4 below. This Agreement so to arbitrate and any other agreement or consent to arbitrate entered into in accordance herewith as provided in this paragraph 7.6 will be specifically enforceable under the prevailing law of any court having jurisdiction.

7.6.2 Notice of demand for arbitration must be filed in writing with the other parties to this Agreement and with the American Arbitration Association. The demand must be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event may the demand for arbitration be made after the date when institution or legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

7.6.3 All demands for arbitration and all answering statements thereto which include any monetary claim must contain a statement that the total sum or value in controversy as alleged by the party making such demand or answering statement is not more than \$200,000 (exclusive of interest and costs) and the arbitrators will not have jurisdiction, power or authority to render a

monetary award in response thereto against any party which totals more than \$200,000 (exclusive of interest and costs). The arbitrators will not have jurisdiction, power or authority to consider, or make findings (except in denial of their own jurisdiction) concerning any claim, counterclaim, dispute or other matter in question where the amount of controversy of any such claim, counterclaim, dispute or matter is more than \$200,000 (exclusive of interest and costs).

7.6.4 No arbitration arising out of or relating to, this Agreement may include, by consolidation, joined or in any other manner, any person or entity who is not a party to this Agreement.

7.6.5 By written consent signed by all parties to this Agreement and containing specific reference hereto, the limitations and restrictions contained in paragraphs 7.6.3 and 7.6.4 may be waived in whole or in part as to any claim, counterclaim, dispute or other matter specifically described in such consent. No consent to arbitration in respect of a specifically described claim, counterclaim, dispute or other matter in question will constitute consent to arbitrate any other claim, counterclaim dispute or other matter in question which is not specifically described in such consent or in which the sum or value in controversy exceed \$200,000 (exclusive of interest and costs) or which is with any party not specifically described therein.

7.6.6 The award rendered by the arbitrators will be final, judgement may be entered upon it in any court having jurisdiction thereof, and will not be subject to modification or appeal except to the extent permitted by Sections 10 and 11 of the Federal Arbitration Act (9 U.S.C. SS 10.11).

SECTION 8 – SPECIAL PROVISIONS, EXHIBITS AND SCHEDULES

8.1 This Agreement is subject to the following special provisions.

8.1.1 HOME FM-11 "CONTRACT FOR PROFESSIONAL SERVICES PART II – TERMS AND CONDITIONS" must be added at this point.

8.2 The following Exhibits are attached to and made a part of this Agreement.

8.2.1 Exhibit A "Further Description of Basic Engineering Services and Related Matters" consisting of _____ pages.

8.2.2 Exhibit B "Duties, Responsibilities and Limitations of Authority of Resident Project Representative" consisting of _____ pages.

8.3 This Agreement (consisting of pages 2-1 to _____, inclusive) together with the Exhibits and schedules identified above constitute the

entire agreement between OWNER and ENGINEER and supersede all prior written or oral understandings. This Agreement and said Exhibits and schedules may only be amended, supplemented, modified or cancelled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

OWNER:

Address for giving notices:

ENGINEER:

Address for giving notices:

CONTRACT FOR PROFESSIONAL SERVICES PART II – TERMS AND CONDITIONS

SECTION 1 TERMINATION OF CONTRACT FOR CAUSE

If, through any cause, the CONSULTANT shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the CONSULTANT shall violate any of the covenants, agreements, or stipulations of this Contract, the _____ (Name of Grantee) (GRANTEE) shall thereupon have the right to terminate this Contract by giving written notice to the CONSULTANT of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the CONSULTANT under this Contract shall, at the option of the GRANTEE, become its property and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the CONSULTANT shall not be relieved of liability to the GRANTEE for damages sustained by the GRANTEE by virtue of any breach of the Contract by the CONSULTANT, and the GRANTEE may without any payments to the CONSULTANT for the purpose of set-off until such time as the exact amount of damages due the GRANTEE from the CONSULTANT is determined.

SECTION 2 TERMINATION FOR CONVENIENCE OF THE GRANTEE

The GRANTEE may terminate this Contract at any time by giving at least ten (10) days notice in writing to the CONSULTANT. If the Contract is terminated by the GRANTEE as provided herein, the CONSULTANT will be paid for the time provided and expenses incurred up to the termination date. If this Contract is terminated due to the fault of the CONSULTANT, paragraph 1 hereof relative to termination shall apply.

SECTION 3 CHANGES

The GRANTEE may, from time to time, request changes in the scope of the services of the CONSULTANT to be performed hereunder. Such changes, including any increases or decreases in the amount of the CONSULTANT's compensation, which are mutually agreed upon by and between the GRANTEE and the CONSULTANT, shall be incorporated in written amendments to this Contract.

SECTION 4 PERSONNEL

(a) The CONSULTANT represents that he has, or will secure at his own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the GRANTEE.

(b) All of the services required hereunder will be performed by the CONSULTANT or under his supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

(c) None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the GRANTEE. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

SECTION 5 ASSIGNABILITY

The CONSULTANT shall not assign any interest of this Contract, and shall not transfer any interest in same (whether by assignment or novation), without the prior written consent of the GRANTEE thereof; Provided, however, that claims for money by the CONSULTANT from the GRANTEE under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Written noted of any such assignment or transfer shall be furnished promptly to the GRANTEE.

SECTION 6 REPORTS AND INFORMATION

The CONSULTANT, at such times and in such forms as the GRANTEE may require, shall furnish the GRANTEE such periodic reports as it may request pertaining to the work or services undertaken pursuant to the Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

SECTION 7 RECORDS AND AUDITS

The CONSULTANT shall maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by the City to assure proper accounting for all project funds, both federal and non-federal shares. These records will be made available for audit purposes to the Grantee or any authorized representative, and will be retained for three years after expiration of this Contract unless permission to destroy them is granted by the GRANTEE.

SECTION 8 FINDINGS CONFIDENTIAL

All of the reports, information, data, etc., prepared or assembled by the CONSULTANT under this Contract are confidential and the CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of the GRANTEE.

SECTION 9 COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the CONSULTANT.

SECTION 10 COMPLIANCE WITH LOCAL LAWS

The CONSULTANT shall comply with all applicable laws, ordinances and codes of the State and local governments, and the CONSULTANT shall save the GRANTEE harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Contract.

SECTION 11 EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Contract, the CONSULTANT agrees as follows:

(a) The CONSULTANT will not discriminate against any employee or applicant for employment because of race, creed, sex, color or national origin. The CONSULTANT will use affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, sex, color or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the GRANTEE setting forth the provisions of this non-discrimination clause.

(b) The CONSULTANT will, in all solicitation or advertisements for employees placed by or on behalf of the CONSULTANT, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.

(c) The CONSULTANT will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(d) The CONSULTANT will comply with all provisions of Executive Order 11246 of September 24, 1965, and by the rules, regulations and relevant orders of the Secretary of Labor.

(e) The CONSULTANT will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the GRANTEE and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the CONSULTANT's non-compliance with the equal opportunity clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated, or suspended in whole or in part and the CONSULTANT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The CONSULTANT will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding on upon each subcontractor or vendor. The CONSULTANT will take such action with respect to any subcontract or purchase order as the GRANTEE may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that in the event the CONSULTANT becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the GRANTEE, the CONSULTANT may request the United States to enter into such litigation to protect the interests of the United States.

SECTION 12 CIVIL RIGHTS ACT OF 1964

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

SECTION 13 SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

(a) No persons in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

SECTION 14 SECTION 3 COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES

(a) The work to be performed under this Contract is on a project assisted under the State HOME program which provides federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in

connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

(b) The parties to this Contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

(c) The CONSULTANT will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment training.

(d) The CONSULTANT will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The CONSULTANT will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 125 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

(e) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the Contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors and assigns to those provided, and to such sanctions as are specified by 24 CFR Part 135.

SECTION 15 INTEREST OF MEMBERS OF A GRANTEE

No member of the governing body of the GRANTEE and no other officer, employee, or agent of the GRANTEE who exercises any functions or responsibilities in connections with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONSULTANT shall take appropriate steps to assure compliance.

SECTION 16 INTEREST OF OTHER LOCAL PUBLIC OFFICIALS

No member of the governing body of the locality and no other public official of such locality, who exercises any functions or responsibilities in connections with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONSULTANT shall take appropriate steps to assure compliance.

SECTION 17 INTEREST OF CONSULTANT AND EMPLOYEES

The CONSULTANT covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The CONSULTANT further covenants that in the performance of this Contract, no person having any such interest shall be employed.

CHAPTER THREE

ENVIRONMENTAL REVIEW

1. OVERVIEW

- 1.1 The HOME Rule (Section 92.352) requires that the environmental effects of each activity carried out with the HOME funds be assessed in accordance with the provisions of HUD's regulations covering National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58. The assessment is conducted considering other federal laws covering areas such as noise, air quality, historic properties, floodplains, wetlands, water quality, solid waste disposal, man-made hazards, farmlands protection, wild and scenic rivers, coastal areas and endangered species.

2. RESPONSIBILITY FOR THE ENVIRONMENTAL REVIEW

- 2.1 **LOCAL GOVERNMENTS** – The environmental review procedures as outlined in 24 CFR Part 58 require that units of general local governments such as cities and counties assume the responsibility for the environmental review, including the publications, and then later request that the funds be released by the state.
- 2.2 **NON-PROFIT AGENCIES** – For non-profit agencies and Community Housing Developments (CHDOs), the state as a participating jurisdiction will be responsible for the environmental review, but the state will depend upon the non-profit agency or the CHDO to gather the necessary information and publish the required notices with the assistance of the state. Only the state can certify that the environmental review requirements have been met and will be responsible for requesting a release of funds from HUD for each individual agency or CHDO.

3. EXEMPT ACTIVITIES

- 3.1 **WHAT CAN BE DONE PRIOR TO COMPLETION OF ENVIRONMENTAL REVIEW** - The only tasks that may be undertaken prior to completing the environmental review are administrative activities, feasibility and engineering studies, outreach, and planning activities. These do not affect the human and physical environment and are exempted under Section 58.34 of 24 CFR Part 58. Written documentation of the decision made that an activity is exempt under Section 58.34 or excluded under Section 58.35(c) must be included in the Environmental Review Record discussed below. Exempt activities include:
1. Environmental and other studies.
 2. Information and financial services.

3. Administrative and management services.
4. Inspection and testing of properties for hazards or defects.
5. Purchase of insurance.
6. Engineering or design costs.
7. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration.
8. An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58 and the cost of the option is a nominal portion of the purchase price. There is no constraint on the purchase of an option by third parties that have not been selected for HUD funding, have no responsibility for the environmental review and have no say in the approval or disapproval of the project (Section 24 CFR 58.22(b)).
9. Funds may be committed for relocation assistance before the approval of the Request for Release of Funds provided that the relocation assistance is required under 24 CFR Part 42 (Section 24 CFR 58.22(c)).

- 3.2 **WHAT CANNOT BE DONE PRIOR TO COMPLETION OF ENVIRONMENTAL REVIEW** - HOME funds cannot be committed before the completion of the environmental review and approval of the Request for Release of Funds and related certification, except as authorized by 24 CFR Part 58. Additionally, there must not be a commitment of non-Federal funds that would have an adverse environmental impact or limit the choice of alternatives.

4. ENVIRONMENTAL REVIEW REQUIREMENTS

- 4.1 **OVERVIEW** - The environmental review process should be initiated as soon as the proposed activities are determined. Environmental review expenses are usually considered as administrative costs under THDA's HOME Program. Private citizens and organizations can object to the release of funds for HOME projects on certain procedural grounds relating to the environmental review. Therefore, it is important that all procedural requirements be met.
- 4.2 **ENVIRONMENTAL REVIEW RECORD**
1. **LOCAL GOVERNMENTS** - The city or county must maintain the original written record of the environmental review (ERR) undertaken under 24 CFR Part 58 for each project which must be made available for public review. A copy must be sent to THDA with the Request for Release of Funds.

2. **NON-PROFIT AGENCIES** - Non-profit agencies and CHDO's must send the original ERR to THDA and maintain a copy for their files. The ERR must provide a description of the project and of the activities that have been determined to be part of the project, as defined in Section 58.32. The ERR must contain all the relevant documents, public notices, and written determinations required by Part 58, and any other information or evidence of action pertaining to the environmental review of the project. For a single project with multiple sources of funding, only one ERR file is necessary for all of the programs subject to Part 58 as long as the project is not being undertaken by multiple agencies.
- 4.3 **PROJECT AGGREGATION** - According to Section 58.32, the state or local governmental units must group together and evaluate, as a single project, all individual activities that are related either geographically or functionally, or are logical parts of a composite of contemplated actions. When grouping activities, keep in mind that several sites, each requiring some degree of environmental review, may actually be considered one HOME project. The preparer would be well served if it grouped activities by HOME projects, common locations and functions, and project phasing. Some environmental factors can be considered on a project-wide basis while others will require site-by-site analysis.
- 4.4 **LEVELS OF REVIEW** - There are six categories into which projects may be classified for environmental review: Exempt; Categorically Excluded Not Subject to 24 CFR 58.5; Categorically Excluded Subject to 24 CFR 58.5; Categorically Excluded Activities Converted to Exempt Activities; Environmental Assessment; and Environmental Impact Statement. It is anticipated that HOME projects will be classified as categorically excluded or requiring an environmental assessment. If there is a question about a project's impact on the environment or its classification, contact THDA.
 1. **EXEMPT ACTIVITIES** (24 CFR 58.34(a)(1)-(11)) - Refer to Section 3 above for explanation of exempt activities.
 2. **CATEGORICALLY EXCLUDED ACTIVITIES NOT SUBJECT TO § 58.5 AUTHORITIES** (24 CFR 58.35(b)) – HUD has determined that certain categorically excluded activities would not alter any conditions that would require an environmental review or compliance determination under Federal laws and authorities cited in §58.5. Examples of activities that are categorical exclusions not subject to §58.5 include the following:
 - a. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title.

Warning: homebuyer assistance for units not already under construction must be treated as a categorical exclusion **requiring** compliance with the authorities cited in §58.5.
 - b. Housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities that do not have a physical impact.

These activities are treated like exempt activities. The Grantee is not required to undertake a NEPA level review or document that the activities comply with other Federal laws and authorities found at §58.5. Additionally, no public notices are published, and a Request for Release of Funds and Certification (ER-14) is not submitted to THDA. *The Grantee must document its determination that the activity is a categorical exclusion not subject to §58.5 authorities, and place the document into the Environmental Review Record.*

Activities or projects that are determined to be categorical exclusions must also comply with the provisions of §58.6 for special flood hazard area, coastal barrier resources systems and runway clear zones or clear zones (ER-16).

3. **CATEGORICAL EXCLUSIONS SUBJECT TO §58.5** (24 CFR 58.35(a)) - A category of actions that do not individually or cumulatively have a significant effect on the human environment. Categorically excluded activities typically replace or improve existing facilities or structures, i.e., they retain the original usage of a structure or facility; do not increase the size or unit density of the structure or facility being improved by more than 20 percent; do not change land uses (commercial to residential); and in the case of rehabilitation, the cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation. Examples of categorically excluded activities are as follows:
 - a. Minor rehabilitation of an existing property (multifamily or single family);
 - b. An individual action, such as new construction, major rehabilitation, moving or demolition, on a one-to-four family dwelling. [New construction or major rehabilitation of five or more units located within 2,000 feet of each other undertaken as a single action (e.g., a subdivision), is not categorically excluded].

Categorically excluded activities require the completion of a "compliance determination" review using a "statutory checklist format." This format lists ten Federal laws and authorities found in §58.5. The proposed activity is reviewed to determine whether it complies with the requirements of the Federal laws and authorities. If the proposed activity triggers any of the Federal law and authority reviews, e.g., E.O. 11988, "Floodplain Management," the specific review must be completed before the "compliance determination" can be considered finished. Section 5.2, that follows, outlines the steps to review a categorically excluded project.

Activities or projects that are determined to be categorical exclusions must also comply with the provisions of §58.6 for special flood hazard area, coastal barrier resources systems and runway clear zones or clear zones.

4. **CATEGORICALLY EXCLUDED ACTIVITIES CONVERTED TO EXEMPT ACTIVITIES** (24 CFR 58.34(a) (12)) - Activities that are listed in §58.35(a) (1)-(6) as categorical exclusions may be converted into exempt activities under the following conditions:
 - a. The Grantee completes a compliance determination under the Federal laws and authorities cited in §58.5 for the proposed activity.

- b. The Grantee concludes that no circumstances exist where any of the Federal laws and authorities require compliance with its own review procedures.
 - c. The Grantee documents its conclusions on the compliance review form (statutory checklist format) and places it in the Environmental Review Record. No public notices are published and no Request for Release of Funds and Certification is submitted to THDA. The Grantee documents that the activity did not trigger compliance with any Federal laws and authorities and, consequently, the activity was converted into an exempt activity. All documents will be placed in the Environmental Review Record.
5. **ENVIRONMENTAL ASSESSMENTS (EA)** (24 CFR §58.36) - Activities which cannot be determined to be exempt under §58.34 or categorically excluded from NEPA under §58.35, or which involve a categorical exclusion with "extraordinary circumstances" under §58.2(a) (3), require that a full Environmental Assessment be conducted. While an EA addresses the same issues as those found in a Compliance Determination review, it also includes the following analysis:
- a. Determines existing conditions;
 - b. Identifies, analyzes and evaluates all potential environmental impacts;
 - c. Examines and recommends feasible ways to eliminate or minimize adverse environmental impacts;
 - d. Examines alternatives to the project;
 - e. Includes a compliance determination for all other Federal laws and authorities cited in §58.5 and §58.6; and
 - f. Leads to a Grantee's Finding of No Significant Impact (FONSI), or a Finding of Significant Impact, thereby requiring the execution of an Environmental Impact Statement (EIS).

An EA, using an Environmental Assessment Format, is normally required for five or more units only if the sites are 2,000 feet apart or less and/or there are more than four units on a site. This includes:

- a. New construction of five or more residential units;
- b. Major rehabilitation and reconstruction of five or more residential units;
- c. Conversion of non-residential land use to residential land use; and
- d. Acquisition of vacant land for development when five or more units are involved.

Upon completion of the environmental assessment, the Grantee will make either a **Finding of No Significant Impact (FONSI)**, or a **Finding of Significant Impact (FOSI)** determination. In the event that a FONSI is made, the Grantee will follow the steps outlined in Section 5.3 of this Chapter.

In the event that a FOSI is made, the Grantee must adopt or initiate an Environmental Impact Statement (EIS) in accordance with Subparts F and G of Part §58.

Activities or projects that require an Environmental Assessment must also comply with the provisions of §58.6.

6. **ENVIRONMENTAL IMPACT STATEMENT (EIS)** (24 CFR 58.37) - An environmental impact statement is a complex analysis required for proposed activities that would have a significant impact on the human environment in accordance with section 102(2) (C) of the National Environmental Policy Act. EIS thresholds stated at §58.37(a) and (b) (2) include:

- a. Projects determined by a previously written environmental assessment, to have a potentially significant impact on the human environment; and
- b. Projects involving 2,500 or more units being removed, demolished, converted, rehabilitated, constructed.

The Grantee must prepare an Environmental Impact Statement (EIS) for projects where a Finding of Significant Impact (FOSI) has been determined in the EA. Preparation of an EIS requires the Grantee to:

- a. Publish a Notice of Intent to prepare an Environmental Impact Statement (NOI/EIS) in accordance with §58.55;
- b. Determine whether or not to hold a scoping meeting in accordance with §58.56;
- c. Designate a lead agency when appropriate in accordance with §58.57; and
- d. Determine whether or not to hold public hearings in accordance with §58.59 and 40 CFR 1506.6; and
- e. Prepare and file an EIS in accordance with §58.60.

If, on the basis of an EA, an RE determines that the thresholds in §58.37(b) are the sole reason for the EIS, a Finding of No Significant Impact (FONSI) may be prepared pursuant to 40 CFR 1501.4. The FONSI must be available to the public for 30 days before the Grantee makes a final determination whether to prepare an EIS. The Grantee must use the EIS format recommended by the Council on Environmental Quality regulations at 40 CFR 1502.10.

Activities or projects that require an Environmental Impact Statement must also comply with the provisions of §58.6.

- 4.5 **UNSPECIFIED SITE STRATEGY** - For some projects it is not possible or feasible to identify the exact physical location of the activity or housing units until it is underway. An environmental assessment would use county-wide, city-wide or target neighborhood information as a data base to complete most of the information required for the checklists. The environmental assessment would describe typical impacts regardless of the specific site. A site specific strategy would be developed to include criteria or

standards for judging impact and the need for mitigation measures at each site during the operation of the program. A checklist must be developed and completed on a site specific basis to document compliance with all of the remaining areas not cleared on a geographical basis. For example, Historic Properties and Noise could not be cleared until sites are identified, so these areas would be included on the site specific checklist. Although funds may be released based upon the submittal of the environmental review record at the beginning of the project, individual site specific checklists must accompany the first pay request on the property specified. There is special language to insert in the Concurrent or NOI/RROF notices relating to the use of a specified strategy. See Publication of Notices.

4.6. **FLOODPLAIN ACTIVITIES** - For projects located in a floodplain or a wetland, there is an additional eight (8) step decision-making process and special notices are required. Remember that it is a THDA policy not to rehabilitate homes located in a 100 year floodplain.

- a. In rare instances, requests may be made to THDA to conduct projects in a floodplain. If the project is for minor repairs or improvements for one to four family properties, the 8 step decision-making process and special notices do not apply (see 24 CFR Part 50). However, for substantial rehabilitation, acquisition and/or new construction the 8 step decision-making process does apply and must be documented. The 8 steps are:
 1. Determine if the project or activity is in the floodplain.
 2. If the project is in the floodplain, publish a Notice in a local newspaper to make the public aware of the intent. (See ER-1 for a sample Early Public Notice with a 15 day comment period);
 3. Determine if there is a practical alternative;
 4. Identify Adverse Impacts;
 5. Identify methods to be used to minimize, restore and preserve the floodplains;
 6. Re-evaluate alternatives;
 7. Announce and explain decision to the public. The grantee must publish a Notice of Explanation (ER-2) in the local newspaper if the only practical alternative is to locate the project or activity(ies) in the floodplain. The reason for this decision and the alternatives considered must be included in this Notice. It may be published at the same time as the NOI/RROF or the Concurrent Notice; and
 8. Implement the project or activity (ies) with appropriate mitigation.
- b. The community must participate in the National Flood Insurance Program, and flood plain insurance is required of the property owner.

5. ENVIRONMENTAL REVIEW PROCESS

5.1 **DETERMINE REVIEW LEVEL** - Once a project has been selected and its components defined, (See Project Aggregation), a determination must be made as to whether the project is exempt, categorically excluded or requires an environmental assessment. Exhibit ER-3 is a checklist for Environmental Review requirements which is to be included in the ERR. Contact THDA if there are any questions regarding the level of review required.

5.2 STEPS TO REVIEW A CATEGORICALLY EXCLUDED PROJECT

1. **STATUTORY CHECKLIST** - The Statutory Checklist (ER-4) includes a listing of applicable statutes and regulations by area of compliance. The degree of impact for each of the 12 areas must be assessed ranging from Not Applicable to Mitigation Required. A specific source must be documented for each area, identifying who or on what basis the decision was made on the degree of impact and when the decision was made.

a. **HISTORIC PROPERTIES** - The National Historic Preservation Act extends significant protection to properties that are listed on the National Register of Historic Places and to those that are eligible for listing. Section 106 of the Act requires approving officials to examine all properties in the area of a rehabilitation or project site to determine if the property itself or a surrounding property is listed on or eligible for listing on the National Register of Historic Places. The determination process must include consultation with the State Historic Preservation Office (SHPO) to obtain any information they might have concerning a particular area or property.

1. There are three (3) possible findings that can be made in consultation with the SHPO:

i. **NO EFFECT** - There is no effect of any kind on historic properties. The grantee may proceed with the project or activity.

ii. **NO ADVERSE EFFECT** - There is a possibility of effect, but it would not be harmful to the historic properties. After consultation with the SHPO, a copy of this determination must be sent to the Advisory Council on Historic Preservation for their review. Unless the Advisory Council objects to this determination, the grantee may proceed with the project subject to the concerns of the SHPO and Advisory Council, if any.

iii. **ADVERSE EFFECT** - There could be a harmful effect to a historic property. The grantee must begin the consultation process with the Advisory Council. This process usually results in a Memorandum of Agreement (MOA). The project may continue subject to the terms of the MOA.

2. The grantee can communicate directly with SHPO to obtain the clearance letter. The letter must be included in the ERR.
- b. **FLOODPLAIN MANAGEMENT** - THDA policy states that generally houses in a floodplain will not be rehabilitated under the HOME Program. The grantee will need to determine that the project or activity (ies) will not be located in the 100-year floodplain. This area is identified by the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map as Flood Zone A and V. These areas are expected to flood at least once every one hundred years. A set of maps may generally be found with local Building Official or Public Works Department. The Regional State Planning Office will also have the maps. Refer to the map panel number/date and indicate Not Applicable on the Statutory Checklist. (See Section IV (D) above on floodplain activities.)
- c. **WETLANDS PROTECTION** - It is THDA's general policy not to rehabilitate houses in a floodplain or wetlands. The eight step process applicable to floodplain activities also applies to projects in a wetland. The grantee must determine that the proposed project or activity(ies) will not have an impact on the wetland, pursuant to EO 11990.
1. Executive Order 11990 requires Federal agencies to avoid, to the extent practical, new construction in wetlands. If there is no alternative to the proposed action for new construction in wetlands, and THDA has granted an exception, then all practicable measures to minimize harm to wetlands must be taken.
 2. New construction is defined as, "draining, dredging, channelizing, filling, diking, impounding and related project construction activities affecting wetlands". Thus while most rehabilitation activities will not be subject to E. O. 11990, if any change to the grounds are contemplated, then these actions may trigger the E. O. 11990 requirements.
 3. The grantee may consult the National Wetlands Inventory developed by the U. S. Fish and Wildlife Service, the U. S. Department of the Interior, the Army Corps of Engineers, or the Water Pollution Control Division of the Department of Environment and Conservation in order to determine if the project or activity(ies) will have any impact on a wetland.
- d. **NOISE** - The grantee must assess the impact that sources of noise will have on a noise sensitive project or activity(ies), i.e., housing rehabilitation. It is HUD's general policy to provide minimum National standards applicable to HUD programs to protect citizens against excessive noise in their communities and places of residence.
1. The primary concern with noise is the effect of existing and projected noise levels on the site being rehabilitated. HUD noise standards for housing (exterior level) are as follows:

DAY-NIGHT AVERAGE SOUND LEVEL	
Above 75 DNL	Unacceptable
65-75 DNL	Normally unacceptable
Below 65 DNL	Acceptable

2. These standards do not apply to HUD support of modernization and rehabilitation. HUD encourages noises attenuation features in "normally unacceptable" areas and strongly encourages conversion to land uses compatible with unacceptable levels of noise. However, a noise assessment is not required.
 3. Grantees planning major rehabilitation programs should take noise into consideration. General criteria and policies are possible that will contribute to the quality of life for residents of properties to be renovated.
 4. The following conditions may portend potential noise problems and the need for attenuation measures to mitigate them:
 - i. Commercial or military airport within a 15-mile radius;
 - ii. Major highways within 1000 feet;
 - iii. Transit lines or railroads within 3000 feet; and
 - iv. Other known significant noise sources.
 5. These types of noise factors can be identified during the course of the review. The community can adopt policies or standards for mitigation that are applied on a case-by-case basis as properties are identified for rehabilitation. This approach provides for a positive approach to noise problems, but does not require noise assessments at each site. In some cases, noise assessment may be desirable, but this is a local determination. An additional factor is energy conservation measures which can contribute to reduced noise levels in homes. By considering both energy conservation and noise, cost effectiveness is enhanced and activities that might not be cost effective for addressing one concern, may be found to be feasible because of its dual benefit.
- e. **AIR QUALITY** - The grantee must determine whether the project or activity(ies) is located in an area that is in violation of the ambient air quality standard for that particular area.

Sources of contact are the EPA and State and local air pollution control agencies. The project must, also, be in compliance with the State Implementation Plan (SIP) if it will either contribute to or generate traffic, i.e., commercial development or parking garage.

f. **MANMADE HAZARDS**

1. **THERMAL AND EXPLOSIVE HAZARDS** - The grantee must determine whether its project or activity(ies) is located near a specific stationary, hazardous operation which stores, handles or processes hazardous substances such as petroleum products or chemicals of an explosive or flammable nature. This does not apply to gasoline stations with underground tanks.

To the extent practicable, grantees should avoid locating projects or activities near these hazards or calculate acceptable separation distances.

2. **RUNWAY CLEAR ZONES, CLEAR ZONES AND ACCIDENT POTENTIAL ZONES** - The grantees must determine that its project or activity(ies) will not be located within 5 miles of a civil airport or within 15 miles of a military airfield.

- i. The regulation applies to all military installations with aircraft operations and to all civil airports designated by the FAA as commercial service airports under the National Plan for Integrated Airport Systems.

- ii. Buyers receiving Federal assistance to purchase a property in a runway clear zone or military clear zone shall be advised in writing of the hazard of its location and the possibility that their property may be acquired by the airport operator. The buyer must sign an acknowledgment of receipt of this information.

- iii. A source of contact is the Federal Aviation Administration.

g. **WATER QUALITY**

1. **NAVIGABLE WATERS** - The grantee must determine whether the project or activity(ies) will involve the disposal or placement of dredged or fill material in navigable waters and wetlands.

- i. If this type of project or activity(ies) is involved, the grantee must obtain a 404 Permit from the Corps of Engineers and be in compliance with Section 208 of the Federal Water Pollution Control Act.

- ii. Possible sources of information and documentation are the Regional Planning Agency, Corps of Engineers, City or County Engineer, and State or Federal EPA.

2. **SOLE SOURCE AQUIFERS** - This is the sole or primary source for drinking water derived from ground water. There are no sole source aquifers in Tennessee, according to the Ground Water Management Section of the Department of Environment and

Conservation. Not applicable is checked on the Statutory Checklist.

- h. **SOLID WASTE DISPOSAL** - The grantee must determine whether the project or activity(ies) will generate solid waste. If so, the grantee must be in compliance with Section 209 guidelines of the Resources Conservation and Recovery Act of 1976, 42 USC 6901- 6987.

Possible sources of information and documentation are the City or County Engineer, Regional Planning Agency, State or Federal EPA.

- i. **FARMLANDS PROTECTION** - It is not anticipated that housing rehabilitation will convert farmlands to nonagricultural uses. The definition for farmland is as follows:

1. **PRIME FARMLAND** - Land having the best combination of physical characteristics for crop production.
2. **UNIQUE FARMLAND** - Land other than prime, with the capacity to produce specific high value food and fiber, e.g., citrus fruits, olives, etc.
3. Sources of contact are the USDA's District Conservationist or State Soil Conservation Service.

- j. **WILD AND SCENIC RIVERS** - It is not expected that the housing rehabilitation will have an impact on rivers designated on the Nationwide Rivers Inventory by the U.S. Department of Agriculture as wild, scenic, and recreational. Sources of documentation are the Nationwide Rivers Inventory or Regional Planning Agency.

- k. **ENDANGERED SPECIES** - It is not anticipated that housing rehabilitation will have an impact on Endangered Species. Sources of documentation include U. S. Fish and Wildlife Service or Tennessee Wildlife Resources Agency.

- l. **STATE AND LOCAL STATUTES** - Rehabilitation may not begin until all applicable permits required by the State and locality have been obtained.

- m. **ENVIRONMENTAL JUSTICE** - The Grantee must identify and address, as appropriate, adverse human health or environmental effect of its project on minority and low income populations. Sources of documentation may include local planners, public officials and project administrators.

- 2. **FINDING OF CATEGORICAL EXCLUSION AND NARRATIVE AND MAP**
Complete the Finding of Categorical Exclusion and Narrative (ER-5). Also include a map indicating the project sites.

3. **PUBLICATION OF NOTICES**

- a. **LOCAL GOVERNMENTS** -The Notice of Intent to Request a Release of Funds (ER-6) will need to be published in the local newspaper by cities and counties.
- b. **NON-PROFIT AGENCIES** - For CHDOs and non-profits, contact THDA prior to the publication of this notice (ER-7). THDA will need to review the checklists and narratives prior to the publication of notices by CHDOs and non-profits.
- c. **UNSPECIFIED SITE STRATEGY** - If using an Unspecified Site Strategy, the following language must be inserted prior to the last paragraph of the Notice of Intent to Request a Release of Funds (ER-6 or ER-7):

Because the grant award year Project will involve activities at several scattered sites for which the exact location will not be known for some time, an environmental review strategy has been developed including Site Specific Checklists, to assure that the required environmental review is completed for each site. If environmental factors are identified as having an impact on the project or any of the specific project sites, they will be addressed on a case by case basis.

- d. A seven (7) day local comment period must be allowed and indicated in the notice. The seven days will begin on the day after the notice is to be published. (See ER-8 showing public comment period for categorically excluded projects).

4. **DISTRIBUTION OF A COPY OF THE NOI/RROF** - At the time of publication of the notice, a copy of the notice must be distributed to the following agencies to allow seven days for their comments. Copies of the cover letters to these agencies must be included in the ERR:

- a. Tennessee Historical Commission
2941 Lebanon Road
Nashville, Tennessee 37243-0442
- b. EPA - Environmental Review Coordinator
Regional Office
61 Forsythe Street, SW
Atlanta, Georgia 30303-8960
- c. Director, Federal Agency Liaison Division
Office of Federal Activities (A-104)
Environmental Protection Agency
Washington, DC 20460
- d. Federal Highway Administration
640 Grassmere Park
Nashville, Tennessee 37211

- e. State of Tennessee
Department of Transportation
Suite 600 - James K. Polk Building
Nashville, Tennessee 37243-0341
- f. Local Development Districts
- g. Tennessee Local Planning Office

5. **REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION (RROF)-**

- a. **LOCAL GOVERNMENTS** - After allowing seven days for public comment and taking into account any comments received, cities and counties complete the RROF (ER-14) and submit the ERR to THDA.
- b. **NON-PROFIT AGENCIES** - For non-profits and CHDOs, THDA will complete the RROF and submit it to HUD/Atlanta.

6. **RELEASE OF FUNDS**

- a. **LOCAL GOVERNMENTS** - After the ERR is submitted to THDA by cities and counties, THDA may not approve the RROF until 15 days after the receipt of the ERR. THDA will send a Notice of Removal of Grant Conditions (ER-15) to the cities and counties once the 15 days have passed.
- b. **NON-PROFIT AGENCIES** - For non-profits and CHDOs, HUD will wait 15 days after receiving the RROF from the State before it issues a release of funds. THDA will send the Notice of Removal of Grant Conditions to the CHDOs and non-profits after HUD sends the release to THDA.

5.3 **STEPS TO COMPLETE AN ENVIRONMENTAL ASSESSMENT**

- 1. **STATUTORY CHECKLIST (ER-4).** (See paragraph 5.2(1) above).
- 2. **ENVIRONMENTAL ASSESSMENT CHECKLIST** - The Environmental Assessment Checklist (ER-9) contains 36 specific impact areas that must be evaluated. These areas have been grouped into the following major categories: Land Development; Noise; Air Quality; Environmental Design and Historic Value; Socioeconomic; Community Facilities and Services; and Natural Features.
 - a. The degree to which the project must be evaluated relative to these impact categories ranges from No Impact Anticipated to Requires Project Modification. The checklist calls for source(s) to be identified which have contributed to the decision in each specific impact category. A source must be provided for all 36 impact areas.
- 3. **NARRATIVE AND MAP** - The primary purpose of the narrative (ER-10) is to discuss in detail adverse impacts and mitigating measures that were identified in the EA CHECKLIST. The following areas are included: General Information; Project Description; Environmental Conditions; Significant Environmental Impacts and Actions Taken to Minimize Adverse Impacts; Alternatives; Environmental Findings. A project area map must be included.

4. **PUBLICATION OF NOTICES**

- a. **LOCAL GOVERNMENTS** - The Concurrent Notice (ER-11) must be published in the local newspaper by cities and counties.
- b. **NON-PROFIT AGENCIES** - For CHDOs and non-profits, contact THDA prior to the publication of this notice (ER-12).
- c. **UNSPECIFIED SITE STRATEGY** - If using an Unspecified Site Strategy, the following language must be inserted prior to the last paragraph of the Concurrent Notice (ER-11 or ER-12): Because the grant award year Project will involve activities at several scattered sites for which the exact location will not be known for some time, an environmental review strategy has been developed including Site Specific Checklists, to assure that the required environmental review is completed for each site. If environmental factors are identified as having an impact on the project or any of the specific project sites, they will be addressed on a case by case basis.
- d. A fifteen (15) day local comment period must be allowed and indicated in the notices. The 15 days will begin on the day after the notice is to be published. (See ER-13 for public comment period for a project requiring an environmental assessment.)

5. **DISTRIBUTION OF THE CONCURRENT NOTICE** - At the time of publication, a copy of the notice must be distributed to the agencies listed in paragraph 5.2(4) above to allow fifteen days for their comments. Copies of the cover letters to these agencies must be included in the ERR.

6. **REQUEST FOR RELEASE OF FUNDS AND CERTIFICATION**

- a. **LOCAL GOVERNMENTS** - After allowing fifteen days for public comment and taking into account any comments received, cities and counties complete the RROF (ER-14) and submit the ERR to THDA
- b. **NON-PROFIT AGENCIES** - After allowing fifteen days for public comment and taking into account any comments received, CHDOs and non-profits submit the ERR to THDA. THDA will complete the RROF after receiving the necessary information for the environmental review and submit it directly to HUD/Atlanta.

7. **RELEASE OF FUNDS**

- a. **LOCAL GOVERNMENTS** – THDA may not approve the RROF until 15 days after the receipt of the ERR. THDA will send a Notice of Removal of Grant Conditions (ER-15) to the cities and counties once the 15 days have passed.
- b. **NON-PROFIT AGENCIES** – HUD/Atlanta will wait 15 days after receiving the RROF from THDA before it issues a release of funds. THDA will send the Notice of Removal of Grant Conditions to the CHDOs and non-profit agencies after HUD sends the release to THDA.

6. RE-EVALUATIONS

- 6.1 After completion of the original environmental review process, circumstances may require that the original review be reevaluated. This will occur when:
1. Substantial changes to the nature, magnitude, or extent of the project are proposed,
 2. New activities not anticipated in the original review are proposed,
 3. New circumstances and environmental conditions that may affect the project or have a bearing on its impact are discovered during the implementation of the project, or
 4. The selection of an alternative not in the original finding is proposed.
- 6.2 If the original findings are still valid, the Grantee must affirm the original findings and update the Environmental Review Record with its re-evaluation. A statement addressing the above four points will suffice as documentation that a reevaluation has been conducted. A new FONSI notice is not required.
- 6.3 If the Grantee determines that the original findings are no longer valid, it must prepare a new Environmental Assessment (or an EIS if its evaluation indicates potentially significant impacts). A new FONSI notice must be published/disseminated and be submitted to HUD (or the State) or disseminated in accordance with §58.43.

7. EMERGENCIES

- 7.1 When an emergency, disaster or imminent threat to health and safety is declared, the combined Notice of FONSI and the Notice of Intent to Request Release of Funds (NOI/RROF) may be disseminated and/or published simultaneously with the submission of the Request for Release of Funds and Certification form to HUD (or the state). The combined FONSI Notice and NOI/RROF shall state that the funds are needed immediately due to a Presidentially declared disaster and that the comment periods have been combined. Any comments made by the public, other organizations or agencies are to be sent to both HUD (or the State) and the Grantee.

8. PROGRAM INCOME AND MATCH

- 8.1 Environmental reviews must be conducted for activities funded by program income. Environmental reviews are not required for activities supported by HOME match contribution requirements unless they are part of the project also receiving HOME funds.

9. RELATED LAWS AND AUTHORITIES

- 9.1 There are several related laws and authorities which a HOME project may trigger, and therefore, require a specific type of review and/or compliance in addition to the requirements in 24 CFR 58 (ER-17). These related laws and authorities are identified in 24 CFR 58.5 and 58.6. A partial listing of these related laws are:
1. The National Historic Preservation Act of 1966 (Historic Properties)
 2. Executive Order 11593 (Protection and Enhancement of the Cultural Environment)
 3. Executive Order 11988 (Floodplain Management)
 4. Executive Order 11990 (Wetland Protection)
 5. The Coastal Zone Management Act of 1972 (Coastal Area Protection and Management)
 6. The Endangered Species Act of 1973
 7. The Flood Disaster Protection Act of 1973
 8. The Clean Air Act

10. DEFINITIONS

- 10.1 **COMMITMENT** - For purposes of the environmental review process, commitment means the expenditure of private or public funds, or a legally binding agreement by any of the following parties: participating jurisdictions, insular areas, State recipients, subrecipients, contractors, or owners/developers (including a CHDO), to expend funds for a specific project, for project activities such as property acquisition, construction, conversion, demolition, movement, rehabilitation, or repair or the provision of tenant-based rental assistance. HOME funds may not be used to reimburse a non-governmental entity for project-related costs incurred after the entity has submitted an application for HOME funds and before approval by HUD (or the State in the case of State recipients) of the Request for Release of Funds and Certification, except for activities that are exempt or are excluded and not subject to the laws in 24 CFR 58.5 and for certain relocation costs. A conditional HOME commitment of funds (as defined below) does not constitute a commitment for the purposes of the environmental review process.
- 10.2 **CONDITIONAL HOME COMMITMENT** – Any contractual agreement signed prior to the completion of the environmental review process between the participating jurisdiction, insular area or state recipient, and a state recipient, subrecipient, contractor, owner or developer, to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or an executed written agreement reserving a specific amount of funds to a community housing development

organization or nonprofit entity. Any such agreement must be conditional in nature so as not to provide the state recipient, subrecipient, contractor, owner or developer, legal claim to any amount of HOME funds to be used for the specific project or site until the environmental review process is satisfactorily completed. Such an agreement must explicitly provide that the agreement to provide funds to the project is conditioned on the responsible entity's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

- 10.3 **CONCURRENT NOTICE** - The Concurrent Notice includes the Finding of No Significant Impact (FONSI) and Notice of Intent to Request Release of Funds (NOI/RROF).
- 10.4 **EARLY PUBLIC NOTICE** - The Early Public Notice (EPN) is the first notice which is required for all projects located in a floodplain and is published prior to any other notice.
- 10.5 **ENVIRONMENTAL ASSESSMENT (EA)** - A concise public document (24 CFR Part 58, Subpart F) which provides sufficient evidence and analysis for determining whether to prepare an EIS or a finding of no significant impact. An EA must include brief discussions of the need for the proposal, of alternatives (where required under NEPA), of the environmental impacts of the proposed action and alternatives, and a listing of agencies and persons consulted.
- 10.6 **ENVIRONMENTAL IMPACT** - Any alteration of existing environmental conditions, or creation of a new set of environmental conditions, caused or induced in whole or in part, directly or indirectly, by a proposed project.
- 10.7 **ENVIRONMENTAL IMPACT STATEMENT (EIS)** - A detailed written statement as required by 102(2)(c) of NEPA describing, analyzing and assessing any alteration of environmental conditions or creation of a new set of environmental conditions, adverse or beneficial, caused or induced by the proposed action and alternatives to the proposed action.
- 10.8 **ENVIRONMENTAL REVIEW RECORD** - The Environmental Review Record (ERR) contains all documents, public notices and written determinations issued during the environmental review process.
- 10.9 **EXEMPT ACTIVITIES** - An activity which is exempt from environmental review requirements of Part 58 including the NEPA-related laws listed at 24 CFR 58.5. Exempt activities are listed at 24 CFR 58.34 (see also 24 CFR 58.35(c)). Such activities may still be subject to compliance with authorities listed in 24 CFR 58.6.
- 10.10 **FINDING OF NO SIGNIFICANT IMPACT (FONSI)** - A document briefly presenting the reasons why an action, not otherwise categorically excluded or exempt, will not have a significant effect on the human environment and for which an Environmental Impact Statement, therefore, will not be prepared. The FONSI must include the environmental assessment (or summary of it) and note any other environmental documents related to it. If the assessment is included, the FONSI need not repeat any of the discussion in the assessment but may incorporate it by reference.
- 10.11 **HUMAN ENVIRONMENT** - Interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment. This means that economic or social effects are not intended by themselves to require preparation of an EIS. When an EIS is prepared and economic or social and natural or physical

environment effects are interrelated, then the EIS will discuss all of these effects on the human environment.

- 10.12 **INDIVIDUAL ACTION ON A ONE TO FOUR FAMILY DWELLING** - An individual decision regarding the acquisition, construction, demolition, leasing, moving, or rehabilitation, of a one to four family residential building. An environmental assessment and finding of no significant impact under NEPA is not required for such activities unless an extraordinary circumstance as defined in § 58.2(a) (3) occurs. Compliance with other applicable Federal environmental laws and authorities listed in §58.5 and §58.6 is required for all individual actions on a one to four family dwelling.
- 10.13 **NEPA** - The National Environmental Policy Act of 1969, as amended, of generally integrally related activities, designed by a recipient grantee to accomplish in whole or in part, a specific goal.
- 10.14 **NOI/EIS** - Notice of Intent to prepare an Environmental Impact Statement.
- 10.15 **NOI/RROF** - Notice of Intent to Request Release of Funds.
- 10.16 **PROJECT** - A project in the context of the HOME Program is a site, an entire building, or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management, and financing and are to be assisted with HOME funds under commitment by the owner, as a single undertaking under 24 CFR Part 92. Project includes all the activities associated with the site and building. If there is more than one site associated with a project, the sites must be within a four block area. However, the Part 58 definition of project is broader. Part 58 defines "project" as an activity, or group of integrally related activities, designed by the grant recipient to accomplish, in whole or in part, a specific goal.
- 10.17 **RECONSTRUCTION** - Reconstruction is considered major rehabilitation for purposes of the HOME Program. Projects involving one-to-four units of family dwellings require a Compliance Determination review. Projects involving five or more units require an environmental assessment if the units are located within 2000 feet of each other.
- 10.18 **ROF** - Release of Funds.
- 10.19 **RROF** - Request for Release of Funds (HUD Form 7015.15).

SAMPLE**FLOODPLAINS AND WETLANDS NOTICE****EARLY PUBLIC NOTICE**

The City of _____, Tennessee is considering _____ as a HOME funded project under the Tennessee Housing Development Agency. The project is located in the 100-year floodplain. _____ is the City's _____ and it is experiencing deterioration. To repair existing damage to the houses, it is necessary to carry out this project in a floodplain. The City is interested in discussing alternatives to this project and securing public perceptions of possible adverse impacts that could result from the project and possible minimization measures. Please send written comments to Mayor _____, Tennessee. Comments will be received until _____ (give 15 days after date of publication).

_____, Mayor

SAMPLE

NOTICE OF EXPLANATION

_____ intends to undertake improvements to __ houses on _____. These improvements are needed to bring the _____ houses up to Section 8 HQS Standards. This project is located in the 100 year floodplain. Proposed improvements to the houses on _____ cannot be undertaken in any other location. There is, therefore, no practical alternative to the proposed project. *(If there are alternatives, you must discuss them here.)*

The proposed improvements to the existing street conform to all applicable State floodplain protection standards. *(If minimization measures are required, they must be discussed here.)* The proposed action will not affect natural or beneficial floodplain values as it represents an improvement of an existing roadway.

Failure to provide these improvements would result in continued deterioration of these 5 houses.

The other agency involved in this project is the State of Tennessee with funds from the U.S. Department of Housing and Urban Development. *(List all agencies providing funds and/or approvals and permits.)*

ER-3

ENVIRONMENTAL REVIEW REQUIREMENT CHECKLIST

(Submit to THDA with ERR)

Project:

REQUIREMENTS	Categorically Excluded	Environmental Assessment	THDA use only
Statutory Checklist Signature Date:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SHPO Letter Signature Date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finding of Categorical Exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Map	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Assessment Narrative		<input type="checkbox"/>	<input type="checkbox"/>
Environmental Assessment Checklist Signature Date:		<input type="checkbox"/>	<input type="checkbox"/>
Public Notices (NOI/RROF or Concurrent Notice)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proof of Distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Request for Release of Funds (cities and counties only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STATUTORY CHECKLIST

Area of Statutory-Regulatory Compliance <small>Precise citations for applicable statutes and regulations are printed on the back of this Checklist</small>	Not Applicable to this project	Consultation Required	Review Required	Permits Required	Determination of Consistency, Approvals, Permits	Conditions and/or Mitigation Action Required	Source or Documentation <small>Note date of contact or page reference. Additional material may be attached</small>
Historic Properties							
Floodplain Management							
Wetlands Protection							
Noise							
Air Quality							
Manmade Hazards Thermal/Explosive Hazards							
Airport Clear Zones							
Water Quality Navigable Waters							
Aquifers							
Solid Waste Disposal							
Farmlands Protection							
Wild and Scenic Rivers							
Endangered Species							
State or Local Statutes							
Environmental Justice							

LISTING OF APPLICABLE STATUTES AND REGULATIONS BY AREA OF COMPLIANCE

Historic Properties

National Historic Preservation Act of 1966, Section 106 (16 U.S.C 470 –470+1)

Preservation of Historic and Archeological Data Act of 1974 (16 U.S.C. 469 – 469c)

Executive Order 11593 – Protection and Enhancement of the Cultural Environment

"Protection of Historic and Cultural Properties Under HUD Programs" (24 CFR Part 59)(When Issued)

Floodplain

Flood Disaster Protection Act of 1973 (PI 93-234) and Implementary Programs

Title 24, Chapter X, Subchapter 8, National Flood Insurance Program (44 CFR 59-75)

Executive Order 11988 and HUD Procedure for Floodplain Management (24 CFR Part 55) (When Issued)

Wetland

Executive Order 11990, Protection of Wetlands and Applicable State Legislation or Regulations. Also 24 CFR Part 55 (When Issued)

Noise

HUD Regulations (24 CFR Part 51, Subpart B)

Air Quality

Clean Air Act of 1970 as Amended (42 U.S.C. 7401- 7642) EPA Regulation 40 CFR Part 50, and Partially 40 CFR Part 51.52.61

Man-made Hazards

HUD Regulation (24 CFR Part 51, Subpart C

HUD Notice 79-33) Indefinite Notice, September 10, 1979.

24 CFR Part 51 Subpart D

Water Quality

Federal Water Pollution Control Act, as Amended (33 U.S.C. 1251-1376)

Safe Drinking Water Act of 1974 (42 U.S.C. 3001-300j-10) as Amended

U.S. Environmental Protection Agency (EPA) Implementing Regulations 40 CFR Parts 100-149

Solid Waste Disposal

Solid Waste Disposal Act as Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901-6987)

U.S. Environmental Protection Agency (EPA) Implementing Regulation 40 CFR Parts 240-365

Coastal Areas

Coastal Zone Management Act of 1972 as Amended (16 U.S.C. 1451-1464)

Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 et. Seq.)

Endangered Species

Endangered Species Act of 1973 as Amended (16 U.S.C. 1531-1543)

Farmlands Protection

Farmlands Protection Policy Act of 1981 (U.S.C. 4201 et. Seq.) Implementing Regulations 7 CFR Part 658

Wild and Scenic Rivers

Wild and Scenic Rivers Act of 1968 as Amended (U.S.C. 1271 et. seq.)

Environmental Justice

Executive Order 12898 (59 FR 7629), 3 CFR, 1994 Comp. P. 859

INSTRUCTIONS

- Not Applicable to this Project – Check here, only when it is known that the project is not located in an area where the environmental condition or resources is nonexistent.
- Consultation Required – This requires contact with appropriate individuals at Federal or federally authorized agencies and documentation of that contact through attached notes and correspondence.
- Review Procedures Required – (e.g. 106 procedure of the Advisory Council on Historic Preservation)
- Permits Procedure Required – Attachments should indicate evidence of permits that have to be secured, or required procedures followed.
- Determination of Consistency, Approvals and Permits Obtained – (e.g. consistency with State coastal zone management plan). In areas requiring consistency or where projects required Federal permits, licenses or other forms of approval, such requirements should be recorded here as

having been met. Any condition, temporary permit or partial approval is recorded in the next column to a document recorded in the ERR.

- Conditions or Mitigation Actions Required – These should be listed and attached including any correspondence from reviewing agencies and a designation of responsibility for implementation.

Chief Executive Officer (Typed)

Signature

Date

FINDING OF CATEGORICAL EXCLUSION

I. GENERAL INFORMATION

- A. Project Name
- B. Project Location
- C. Project Type
- D. Cost (source and amounts)
- E. Administrative Agency
- F. Applicant and Contact Person
- G. Prepared by

II. DESCRIPTION

- A. Project Description
- B. Project Purpose (problem/need)
- C. Map

III. STATEMENT OF CATEGORICAL EXCLUSION

The (*Grantee*) has found the above project to be categorically excluded from the environmental review required by the National Environmental Policy Act (NEPA).

The project consists solely of activities that the Department of Housing and Urban Development has determined to be categorically excluded from NEPA requirements in applicable regulations (24 CFR 58). All activities in this project meet one of the set of conditions established in Section 58.35 (See ER-17 for 24 CFR Part 58).

The project consists of homeowner rehabilitation. YES () NO ().

If other types of projects, cite the Section of 58.35 which categorically excludes the project.

Signature of Chief Executive Officer

Date

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS

(To be used by cities and counties only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

_____	_____
(Grantee)	(Address)

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the Tennessee Housing Development Agency 7 days following this publication. The request and certification relate to the following project.

Project Title:	_____
Location:	_____
Purpose of Project:	_____
Estimated Cost:	_____

(City or County) will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. *(City or County)* is certifying to the Tennessee Housing Development Agency that the *(City or County)* and *(Chief Elected Official)* in his/her official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon THDA's approval, the *(City or County)* may use the funds, and THDA will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. THDA will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

- a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by THDA; or
- b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.
- c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900, Attention: Community Programs Division. THDA will consider all objections received within fifteen (15) days following the receipt of this request.

Mayor or County Executive

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS

(To be used by CHDOs and Non-profits only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

Tennessee Housing Development Agency

404 James Robertson Parkway
Suite 1114
Nashville, TN 37243-0900

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the U.S. Department of Housing and Urban Development 7 days following this publication. The request and certification relate to the following project.

Project Title: _____

Location: _____

Purpose of Project: _____

Estimated Cost: _____

The Tennessee Housing Development Agency (THDA) will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. THDA is certifying to HUD that THDA and its Executive Director in his official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon HUD's approval, THDA may use the funds, and HUD will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. HUD will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

- a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by HUD; or
- b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.
- c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to U.S. Department of Housing and Urban Development, Third Floor, John J. Duncan Federal Building, 710 Locust Street, Knoxville, TN 37902-4393, Attention: Susan Miller. HUD will consider all objections received within fifteen (15) days following the receipt of this request.

Executive Director
Tennessee Housing Development Agency

PUBLIC COMMENT PERIOD FOR A CATEGORICALLY EXCLUDED PROJECT

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	Publish NOI/RROF	Start counting 7-day comment period 1	2	3	4	5
6	Last day for Grantee to receive comments 7	Request Release of Funds and submit ERR to THDA* 1	Start counting 15-day comment period 1	2	3	4
5	6	7	8	9	10	11
12	13	14	Last day for THDA to receive comments 15	THDA sends Notice of Removal of Grant Conditions 16	10	11

* For non-profits and CHDOs, THDA will prepare the Request for Release of Funds and submit to HUD. HUD will release the funds after 15 days to THDA. THDA will then notify the grantee.

ENVIRONMENTAL ASSESSMENT CHECKLIST

Project Name and Identification

No _____

Impact Categories	1	2	3	4	5	6	7
	No Impact Anticipated	Potentially Beneficial	Potentially Adverse Requires Documentation only	Potentially Adverse Requires More Study	Needs Mitigation	Requires Project Modification	Source or Documentation Note date of contact or page reference. Additional material may be attached
Land Development							
Conformance with Comprehensive Plans and Zoning							
Compatibility and Urban Impact							
Slope							
Erosion							
Soil Suitability							
Hazards and Nuisances, Including Site Safety							
Energy Consumption							
Noise							
Effects of Ambient Noise on Project and Contribution to Community Noise Levels							

ENVIRONMENTAL ASSESMENT CHECKLIST

(Continued, page 2)

	1	2	3	4	5	6	7
Impact Categories	No Impact Anticipated	Potentially Beneficial	Potentially Adverse Requires Documentation only	Potentially Adverse Requires More Study	Needs Mitigation	Requires Project Modification	Source or Documentation Note date of contact or page reference. Additional material may be attached
Air Quality							
Effects of Ambient Air Quality on Project and Contribution to Community Pollution Levels							
Environmental Design and Historic Values							
Visual Quality-Coherence, Diversity, Compatible Use, and Scale							
Historic, Cultural, and Archeological Resources							
Socioeconomic							
Demographic/Character Changes							
Displacement							
Employment and Income Patterns							
Community Facilities and Services							
Educational Facilities							
Commercial Facilities							
Health Care							
Social Services							

ENVIRONMENTAL ASSESMENT CHECKLIST

(Continued, page 3)

Impact Categories		1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 Source or Documentation Note date of contact or page reference. Additional material may be attached
Community Facilities and Services (Continued)								
Solid Waste								
Waste Water								
Storm Water								
Water Supply								
Public Safety	Police							
	Fire							
	Emergency Medical							
Open Space Space and Recreation	Open							
	Recreation							
	Cultural Facilities							
Transportation								

ENVIRONMENTAL ASSESMENT CHECKLIST

(Continued, page 4)

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 Source or Documentation Note date of contact or page reference. Additional material may be attached
Natural Features							
Water Resources							
Surface Water							
Floodplains							
Wetlands							
Coastal Zone							
Unique Natural Features and Agricultural Lands							
Vegetation and Wildlife							

ENVIRONMENTAL ASSESMENT CHECKLIST

(Continued, page 5)

1. Is project in compliance with applicable laws and regulations? ☐ Yes ☐ No
2. Is an EIS required? ☐ Yes ☐ No
3. A Finding of No Significant Impact (FONSI) can be made. Project will not significantly affect the quality of the human environment. ☐ Yes ☐ No

Chief Executive Officer

Signature

Date

How to Complete

For each impact category the local environmental analyst is asked to check the appropriate box relating to potential impacts, needed study, and mitigation or modification. In many cases more than one box could or should be checked. In each case a source should be cited which may be a report, phone contact, previous ERR, field observation or general knowledge of the area. The assessment techniques presented in Appendix A provide key assessment questions and data sources which are valuable references in completing this Checklist. The determinations to be made for each impact category include:

- **No Impact Anticipated (Column 1)**

A checkmark here indicates no more analysis nor mitigation efforts is needed. Clear and specific documentation is essential, referencing the factual conditions or specific circumstances that support the finding. Mere conclusions are not sufficient.

- **Potentially Beneficial (Column 2)**

Beneficial impacts should be indicated here. Notations supporting that finding can be attached. A more detailed analysis is not necessary.

- **Potentially Adverse/Requires Documentation Only (Column 3)**

In some cases, this quick review may be all that is needed to evaluate impacts. They may be so small as to require no more study; they may be construction effects only for which standard mitigation procedures have been established; or they may have been analyzed for previous assessments in a fully comparable situation. Documentation here is particularly important and will require attached notes outlining sources explaining the factual basis of the impact finding and describing any mitigation efforts.

- **Potentially Adverse/Requires More Study (Column 4)**

If this is checked, the impact category in question will be subject to further review (site visits, detailed review of data, consultation with experts, etc.) using techniques such as those described in Appendix A. The points to remember are that (1) only those categories with a check in this box need be subject to a detailed assessment and (2) this is not a decision about EIS preparation but a decision to investigate further.

- **Needs Mitigation (Column 5)**

This column should be used in combination with the third and fourth columns indicating some type of potential adverse impact. In some cases specific measures to reduce adverse effects on a community cannot be discussed in full detail right away. Instead, such measures are subject to review and development and implementation responsibility as part of a more detailed analysis which follows. In other cases mitigation measures may be known and recorded. Mitigation measures or safeguards should be listed for easy reference on the last page of the Checklist. Appendix A Assessment Techniques includes a list of possible mitigation measures within the presentation of each impact category.

- **Requires Project Modification (Column 6)**

– Early project review, afford a special opportunity to identify needed changes in the project itself before final applications are made or programs finalized. Often such changes can eliminate the need for further analysis by eliminating the source of the problem. It is also possible that changes (such as moving a project to a different site outside a high noise zone, or combining it with a new project to provide needed sewer or water lines) could be identified at this time.

- **Source (Column 7)**

Identify sources or contacts which have contributed to the decision in a specific category.

<h2>OUTLINE FOR ENVIRONMENTAL ASSESSMENT PROJECT NARRATIVE</h2>

I. GENERAL INFORMATION

- A. Project Name
- B. Project Location
- C. Project Type
- D. Cost (source and amounts)
- E. Administrative Agency
- F. Applicant and Contact Person
- G. Prepared by

II. DESCRIPTION

- A. Project Description
- B. Project Purpose (problem/need)
- C. Location

III. EXISTING ENVIRONMENTAL CONDITIONS

- A. Land Use
- B. Soils
- C. Relationship to Floodplains
- D. Etc.

IV. SIGNIFICANT ENVIRONMENTAL IMPACTS AND ACTIONS TAKEN TO MINIMIZE ADVERSE IMPACTS

If in floodplain, emphasize floodplain management [based on "EA Checklist" (columns 3 - 6 marked)].

V. ALTERNATIVES

If in floodplain, address alternative

VI. FINDING

- A. EIS not required; or
- B. EIS required

COMBINED RROF AND FONSI

**NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS AND
NOTICE OF FINDING OF NO SIGNIFICANT IMPACT ON THE ENVIRONMENT**

(To be used by Cities and Counties only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

Notice of Intent to Request a Release of Funds

_____	_____
(Grantee)	(Address)

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the Tennessee Housing Development Agency 15 days following this publication. The request and certification relate to the following project.

Project Title: _____

Location: _____

Purpose of Project: _____

Estimated Cost: _____

The *(City or County)* will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. *(City or County)* is certifying to the Tennessee Housing Development Agency that the *(City or County)* and *(Chief Elected Official)* in his/her official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon THDA's approval, the *(City or County)* may use the funds, and THDA will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. THDA will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

- a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by HUD; or
- b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.
- c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900, Attention: Community Programs Division. THDA will consider all objections received within fifteen (15) days following the receipt of this request.

Notice of FONSI

The *(City or County)* also gives notice that it has been determined that the above project will not constitute an action significantly affecting the quality of the human environment and accordingly, *(City or County)* has decided not to prepare an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA, 42 USC 4321).

The reasons for the decision not to prepare such Statement are as follows:

The project is not of sufficient size, scale, or mass and does not exceed the threshold criteria established for the preparation of a statement nor will the project have a significant impact on the human environment under NEPA.

An Environmental Review Record respecting the within project has been made by *(City or County)* which documents the environmental review of the project and more fully sets forth the reasons why such Statement is not required. This Environmental Review Record is on file in the *(City or County address)* and is available for public examination and copying, upon request during the weekday hours of ____AM to ____PM.

No further environmental review of such project is proposed to be conducted, prior to the release of Federal funds.

All interested agencies, groups and persons disagreeing with this decision are invited to submit written comments for consideration by the *(City or County)*. The *(City or County)* will consider all objections received within fifteen (15) days following the receipt of this request. All such comments so received will be considered and *(City or County)* will not request the release of Federal funds or take any administrative action on the within project prior to the date specified in the preceding sentence.

Mayor or County Executive

*The day following the 15 day comment period (i.e., 16 days from date of publication).

COMBINED RROF AND FONSI

NOTICE OF INTENT TO REQUEST A RELEASE OF FUNDS AND NOTICE OF FINDING OF NO SIGNIFICANT IMPACT ON THE ENVIRONMENT

(To be used by CHDOs and Non-profits only)

TO ALL INTERESTED AGENCIES, GROUPS AND PERSONS:

Notice of Intent to Request a Release of Funds

Tennessee Housing Development Agency

404 James Robertson Parkway
Suite 1114
Nashville, TN 37243-0900

gives notice that it will submit a request for release of grant funds and an environmental certification pertaining thereto to the U.S. Department of Housing and Urban Development 15 days following this publication. The request and certification relate to the following project.

Project Title: _____
Location: _____
Purpose of Project: _____
Estimated Cost: \$_____

The Tennessee Housing Development Agency (THDA) will undertake the project described above with HOME funds from the US Department of Housing and Urban Development (HUD) under the National Affordable Housing Act of 1990. THDA is certifying to HUD that THDA and its Executive Director in his official capacity as Certifying Officer consent to accept the jurisdiction of the Federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action; and that these responsibilities have been satisfied. The legal effect of the certification is that upon HUD's approval, THDA may use the funds, and HUD will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and the related laws and authorities. HUD will accept an objection to its approval of the release of funds and acceptance of the certification only if it is one of the following bases:

- a. that the certification was not in fact executed by the chief executive officer or other officer of applicant approved by HUD; or
- b. that applicant's environmental review for the project omitted a required decision, finding, or step applicable to the project in the Environmental Review Process.

- c. other specific ground in HUD regulations at 24 CFR Part 58.75.

Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58), and may be addressed to U.S. Department of Housing and Urban Development, Third Floor, John J. Duncan Federal Building, 710 Locust Street, Knoxville, TN 37902-4393, Attention: Susan Miller. No objection received after *fifteen days* following the receipt of this request will be considered by HUD.

Notice of FONSI

THDA also gives notice that it has been determined that the above project will not constitute an action significantly affecting the quality of the human environment and accordingly, THDA has decided not to prepare an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA, 42 USC 4321).

The reasons for the decision not to prepare such Statement are as follows:

The project is not of sufficient size, scale, or mass and does not exceed the threshold criteria established for the preparation of a statement nor will the project have a significant impact on the human environment under NEPA.

An Environmental Review Record respecting the within project has been made by THDA which documents the environmental review of the project and more fully sets forth the reasons why such Statement is not required. This Environmental Review Record is on file in the Community Programs Division, Tennessee Housing Development Agency, 404 James Robertson Parkway, Suite 1114, Nashville, TN 37243-0900 and is available for public examination and copying, upon request during the weekday hours of 8AM to 4:30PM.

No further environmental review of such project is proposed to be conducted, prior to the release of Federal funds.

All interested agencies, groups and persons disagreeing with this decision are invited to submit written comments for consideration by the Community Programs Division of THDA. Such written comments should be received at the address listed above within fifteen days of this request. All such comments so received will be considered and THDA will not request the release of Federal funds or take any administrative action on the within project prior to the date specified in the preceding sentence.

Executive Director
Tennessee Housing Development Agency

<p align="center">PUBLIC COMMENT PERIOD FOR A PROJECT REQUIRING AN ENVIRONMENTAL ASSESSMENT</p>
--

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	Publish NOI/RROF	Start counting 15-day comment period 1	2	3	4	5
6	7	8	9	10	11	12
13	14	Last day for Grantee to receive comments 15	Request Release of Funds and submit ERR to THDA*	1	2	3
4	5	6	7	8	9	10
11	12	13	14	Last day for THDA to receive comments 15	THDA sends Notice of Removal of Grant Conditions 16	

* For non-profits and CHDOs, THDA will prepare the Request for Release of Funds and submit to HUD. HUD will release the funds after 15 days to THDA. THDA will then notify the grantee.

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Request for Release of Funds And Certification

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s)	2. HUD/State Identification Number	Recipient Identification Number (optional)
4. OMB Catalog Number(s)	5. Name and address of responsible entity	
6. For information about this request, contact (name and phone number)	10. Name and address of recipient (if different than responsible entity)	
8. HUD or State Agency and office unit to receive request		

The recipient(s) of assistance under the program(s) listed above requests the release of fund and removal of environmental grant conditions governing the use of the assistance for the following

9. Program Activity(ies)/Project Name(s)	10. Location (Street address, city, county, state)
11. Program Activity/Project Description	

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal ☐ did ☐ did not require the preparation and dissemination of an environmental impact statement.
4. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
5. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
6. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

7. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
8. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity	Title of Certifying Officer
	Date signed
Address of Certifying Officer	

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient	Title of Authorized Officer
	Date signed

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)
form **HUD-7015.15** (1/99)

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Authority to Use Grant Funds

**U.S. Department of Housing
and Urban Development**
Office of Community Planning
And Development

TO: (name & address of Grant Recipient & name & title of Chief Executive Officer)		Copy to: (name & address of Subrecipient)
We received your Request for Release of Funds and Certification, form HUD HUD-7015.15 on		
Your Request was for HUD/State Identification Number		
All objections, if received, have been considered. And the minimum waiting period has transpired. You are hereby authorized to use funds provided to you under the above HUD/State Identification Number. File this form for proper record keeping, audit, and inspection purposes.		

Typed Name of Authorizing Officer	Signature of Authorizing Officer	Date (mm/dd/yyyy)
Title of Authorizing Officer		

DETERMINATION OF CATEGORICAL EXCLUSION NOT SUBJECT TO 24 CFR 58.5

GRANTEE: _____

HOMEBUYER NAME _____

PROPERTY ADDRESS _____

The above described property is determined to be categorically excluded per 24 CFR 58.35(b) and is not subject to review to part 58.5. However, compliance is required for part 58.6. The compliance is documented as follows:

FLOOD DISASTER ACT

1. Is the property located in a Special Flood Hazard Area as identified on a Federal Emergency Management Agency (FEMA) flood map?
☐ Yes ☐ No.
 Community Number _____ Panel Number _____
 Date of Map _____.
2. If the answer to Number 1 is Yes, is the Community where the property is located participating in the National Flood Insurance Program?
☐ Yes ☐ No
 (Note: If the answer to Number 1 is Yes and the answer to Number 2 is No, Flood Insurance is not available and the activity will not be funded.)
3. If the answer to both Number 1 and 2 is Yes, has the homebuyer been informed that flood insurance is required at purchase and that flood insurance will need to be maintained on the property during the period of affordability?
☐ Yes ☐ No.

RUNWAY CLEAR ZONE OR CLEAR ZONE

1. Is the property located within a runway clear zone of a civil airport, or the clear zone of a military airfield?
☐ Yes ☐ No.
2. If yes, Preparer certifies that the homebuyer has signed a statement acknowledging that he/she has been informed that there is a possibility that the property may, at a later date, be acquired by the airport operator.
☐ Yes ☐ No.

The above described project is considered environmentally cleared as of the date of the signature below.

Chief Executive Officer

Date

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24 CFR Part 58

**ENVIRONMENTAL REVIEW PROCEDURES FOR ENTITIES
ASSUMING HUD ENVIRONMENTAL RESPONSIBILITIES**

AS AMENDED, SEPTEMBER 29, 2003

(2) Under § 55.20(e), measures to minimize the potential adverse impacts of the proposed action on the affected floodplain as identified in § 55.20(d) have been applied to the design for the proposed action.

(b) For purposes of compliance with § 55.24, § 55.25, or § 55.26 (as appropriate), the responsible HUD official (or the Certifying Officer for a grant recipient subject to 24 CFR part 58) who would approve the proposed action shall require documentation of compliance with the required conditions.

(c) Documentation of compliance with this part (including copies of public notices) must be attached to the environmental assessment, the environmental impact statement or the compliance record and be maintained as a part of the project file. In addition, for environmental impact statements, documentation of compliance with this part must be included as a part of the record of decision (or environmental review record for grant recipients subject to 24 CFR part 58).

PART 58—ENVIRONMENTAL REVIEW PROCEDURES FOR ENTITIES ASSUMING HUD ENVIRONMENTAL RESPONSIBILITIES

Subpart A—Purpose, Legal Authority, Federal Laws and Authorities

Sec.

- 58.1 Purpose and applicability.
- 58.2 Terms, abbreviations and definitions.
- 58.4 Assumption authority.
- 58.5 Related Federal laws and authorities.
- 58.6 Other requirements.

Subpart B—General Policy: Responsibilities of Responsible Entities

- 58.10 Basic environmental responsibility.
- 58.11 Legal capacity and performance.
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- 58.15 Tiering.
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Subpart C—General Policy: Environmental Review Procedures

- 58.21 Time periods.
- 58.22 Limitations on activities pending clearance.
- 58.23 Financial assistance for environmental review.

Subpart D—Environmental Review Process: Documentation, Range of Activities, Project Aggregation and Classification

- 58.30 Environmental review process.
- 58.32 Project aggregation.
- 58.33 Emergencies.
- 58.34 Exempt activities.
- 58.35 Categorical exclusions.
- 58.36 Environmental assessments.
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Subpart F—Environmental Review Process: Environmental Impact Statement Determinations

- 58.52 Adoption of other agencies' EISs.
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- 58.55 Notice of intent to prepare an EIS.
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- 58.57 Lead agency designation.
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Subpart H—Release of Funds for Particular Projects

- 58.70 Notice of intent to request release of funds.
- 58.71 Request for release of funds and certification.
- 58.72 HUD or State actions on RROFs and certifications.
- 58.73 Objections to release of funds.

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- 58.74 Time for objecting.
58.75 Permissible bases for objections.
58.76 Procedure for objections.
58.77 Effect of approval of certification.

AUTHORITY: 12 U.S.C. 1707 note, 1715z-13a(k); 25 U.S.C. 4115 and 4226; 42 U.S.C. 1437x, 3535(d), 3547, 4332, 4852, 5304(g), 11402, 12838, and 12905(h); title II of Pub. L. 105-276; E.O. 11514 as amended by E.O. 11991, 3 CFR 1977 Comp., p. 123.

SOURCE: 61 FR 19122, Apr. 30, 1996, unless otherwise noted.

Subpart A—Purpose, Legal Authority, Federal Laws and Authorities

§ 58.1 Purpose and applicability.

(a) *Purpose.* This part provides instructions and guidance to recipients of HUD assistance and other responsible entities for conducting an environmental review for a particular project or activity and for obtaining approval of a Request for Release of Funds.

(b) *Applicability.* This part applies to activities and projects where specific statutory authority exists for recipients or other responsible entities to assume environmental responsibilities. Programs and activities subject to this part include:

(1) Community Development Block Grant programs authorized by Title I of the Housing and Community Development Act of 1974, in accordance with section 104(g) (42 U.S.C. 5304(g));

(2) [Reserved]

(3)(i) Grants to states and units of general local government under the Emergency Shelter Grant Program, Supportive Housing Program (and its predecessors, the Supportive Housing Demonstration Program (both Transitional Housing and Permanent Housing for Homeless Persons with Disabilities) and Supplemental Assistance for Facilities to Assist the Homeless), Shelter Plus Care Program, Safe Havens for Homeless Individuals Demonstration Program, and Rural Homeless Housing Assistance, authorized by Title IV of the McKinney-Vento Homeless Assistance Act, in accordance with section 443 (42 U.S.C. 11402);

(ii) Grants beginning with Fiscal Year 2001 to private non-profit organi-

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zations and housing agencies under the Supportive Housing Program and Shelter Plus Care Program authorized by Title IV of the McKinney-Vento Homeless Assistance Act, in accordance with section 443 (42 U.S.C. 11402);

(4) The HOME Investment Partnerships Program authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA), in accordance with section 288 (42 U.S.C. 12838);

(5) Grants to States and units of general local government for abatement of lead-based paint and lead dust hazards pursuant to Title II of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1992, and grants for lead-based paint hazard reduction under section 1011 of the Housing and Community Development Act of 1992, in accordance with section 1011(o) (42 U.S.C. 4852(o));

(6)(i) Public Housing Programs under Title I of the United States Housing Act of 1937, including HOPE VI grants authorized under section 24 of the Act for Fiscal Year 2000 and later, in accordance with section 26 (42 U.S.C. 1437x);

(ii) Grants for the revitalization of severely distressed public housing (HOPE VI) for Fiscal Year 1999 and prior years, in accordance with Title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Pub. L. 105-276, approved October 21, 1998); and

(iii) Assistance administered by a public housing agency under section 8 of the United States Housing Act of 1937, except for assistance provided under part 886 of this title, in accordance with section 26 (42 U.S.C. 1437x);

(7) Special Projects appropriated under an appropriation act for HUD, such as special projects under the heading "Annual Contributions for Assisted Housing" in Title II of various Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Acts, in accordance with section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547);

(8) The FHA Multifamily Housing Finance Agency Pilot Program under section 542(c) of the Housing and Community Development Act of 1992, in accordance with section 542(c)(9)(12 U.S.C. 1707 note);

(9) The Self-Help Homeownership Opportunity Program under section 11 of the Housing Opportunity Program Extension Act of 1996 (Pub. L. 104-120, 110 Stat. 834), in accordance with section 11(m));

(10) Assistance provided under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), in accordance with:

(i) Section 105 for Indian Housing Block Grants and Federal Guarantees or Financing for Tribal Housing Authorities (25 U.S.C. 4115 and 4226); and

(ii) Section 806 for Native Hawaiian Housing Block Grants (25 U.S.C. 4226);

(11) Indian Housing Loan Guarantees authorized by section 184 of the Housing and Community Development Act of 1992, in accordance with section 184(k) (12 U.S.C. 1715z-13a(k)); and

(12) Grants for Housing Opportunities for Persons with AIDS (HOPWA) under the AIDS Housing Opportunity Act, as follows: competitive grants beginning with Fiscal Year 2001 and all formula grants, in accordance with section 856(h) (42 U.S.C. 12905(h)); all grants for Fiscal Year 1999 and prior years, in accordance with section 207(c) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Pub. L. 105-276, approved October 21, 1998).

(c) When HUD assistance is used to help fund a revolving loan fund that is administered by a recipient or another party, the activities initially receiving assistance from the fund are subject to the requirements in this part. Future activities receiving assistance from the revolving loan fund, after the fund has received loan repayments, are subject to the environmental review requirements if the rules of the HUD program that initially provided assistance to the fund continue to treat the activities as subject to the Federal requirements. If the HUD program treats the activities as not being subject to any Federal requirements, then the activities cease to become Federally-funded

activities and the provisions of this part do not apply.

(d) To the extent permitted by applicable laws and the applicable regulations of the Council on Environmental Quality, the Assistant Secretary for Community Planning and Development may, for good cause and with appropriate conditions, approve waivers and exceptions or establish criteria for exceptions from the requirements of this part.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56127, Sept. 29, 2003]

§ 58.2 Terms, abbreviations and definitions.

(a) For the purposes of this part, the following definitions supplement the uniform terminology provided in 40 CFR part 1508:

(1) *Activity* means an action that a grantee or recipient puts forth as part of an assisted project, regardless of whether its cost is to be borne by the HUD assistance or is an eligible expense under the HUD assistance program.

(2) *Certifying Officer* means the official who is authorized to execute the Request for Release of Funds and Certification and has the legal capacity to carry out the responsibilities of § 58.13.

(3) *Extraordinary Circumstances* means a situation in which an environmental assessment (EA) or environmental impact statement (EIS) is not normally required, but due to unusual conditions, an EA or EIS is appropriate. Indicators of unusual conditions are:

(i) Actions that are unique or without precedent;

(ii) Actions that are substantially similar to those that normally require an EIS;

(iii) Actions that are likely to alter existing HUD policy or HUD mandates; or

(iv) Actions that, due to unusual physical conditions on the site or in the vicinity, have the potential for a significant impact on the environment or in which the environment could have a significant impact on users of the facility.

(4) *Project* means an activity, or a group of integrally related activities,

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designed by the recipient to accomplish, in whole or in part, a specific objective.

(5) *Recipient* means any of the following entities, when they are eligible recipients or grantees under a program listed in § 58.1(b):

(i) A State that does not distribute HUD assistance under the program to a unit of general local government;

(ii) Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, and Palau;

(iii) A unit of general local government;

(iv) An Indian tribe;

(v) With respect to Public Housing Programs under § 58.1(b)(6)(i), fiscal year 1999 and prior HOPE VI grants under § 58.1(b)(6)(ii) or Section 8 assistance under § 58.1(b)(6)(iii), a public housing agency;

(vi) Any direct grantee of HUD for a special project under § 58.1(b)(7);

(vii) With respect to the FHA Multifamily Housing Finance Agency Program under § 58.1(b)(8), a qualified housing finance agency;

(viii) With respect to the Self-Help Homeownership Opportunity Program under § 58.1(b)(9), any direct grantee of HUD.

(ix)(A) With respect to NAHASDA assistance under § 58.1(b)(10), the Indian tribe or the Department of Hawaiian Home Lands; and

(B) With respect to the Section 184 Indian Housing Loan Guarantee program under § 58.1(b)(11), the Indian tribe.

(x) With respect to the Shelter Plus Care and Supportive Housing Programs under § 58.1(b)(3)(ii), nonprofit organizations and other entities.

(6) *Release of funds*. In the case of the FHA Multifamily Housing Finance Agency Program under § 58.1(b)(8), Release of Funds, as used in this part, refers to HUD issuance of a firm approval letter, and Request for Release of Funds refers to a recipient's request for a firm approval letter. In the case of the Section 184 Indian Housing Loan Guarantee program under § 58.1(b)(11), Release of Funds refers to HUD's issuance of a commitment to guarantee a loan, or if there is no commitment, HUD's issuance of a certificate of guarantee.

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(7) *Responsible Entity*. Responsible Entity means:

(i) With respect to environmental responsibilities under programs listed in § 58.1(b)(1), (2), (3)(i), (4), and (5), a recipient under the program.

(ii) With respect to environmental responsibilities under the programs listed in § 58.1(b)(3)(ii) and (6) through (12), a state, unit of general local government, Indian tribe or Alaska Native Village, or the Department of Hawaiian Home Lands, when it is the recipient under the program. Under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*) listed in § 58.1(b)(10)(i), the Indian tribe is the responsible entity whether or not a Tribally Designated Housing Entity is authorized to receive grant amounts on behalf of the tribe. The Indian tribe is also the responsible entity under the Section 184 Indian Housing Loan Guarantee program listed in § 58.1(b)(11). Regional Corporations in Alaska are considered Indian tribes in this part. Non-recipient responsible entities are designated as follows:

(A) For qualified housing finance agencies, the State or a unit of general local government, Indian tribe or Alaska native village whose jurisdiction contains the project site;

(B) For public housing agencies, the unit of general local government within which the project is located that exercises land use responsibility, or if HUD determines this infeasible, the county, or if HUD determines this infeasible, the State;

(C) For non-profit organizations and other entities, the unit of general local government, Indian tribe or Alaska native village within which the project is located that exercises land use responsibility, or if HUD determines this infeasible, the county, or if HUD determines this infeasible, the State;

(8) *Unit Density* refers to a change in the number of dwelling units. Where a threshold is identified as a percentage change in density that triggers review requirements, no distinction is made between an increase or a decrease in density.

(9) *Tiering* means the evaluation of an action or an activity at various points

in the development process as a proposal or event becomes ripe for an Environment Assessment or Review.

(10) *Vacant Building* means a habitable structure that has been vacant for more than one year.

(b) The following abbreviations are used throughout this part:

(1) CDBG—Community Development Block Grant;

(2) CEQ—Council on Environmental Quality;

(3) EA—Environmental Assessment;

(4) EIS—Environmental Impact Statement;

(5) EPA—Environmental Protection Agency;

(6) ERR—Environmental Review Record;

(7) FONSI—Finding of No Significant Impact;

(8) HUD—Department of Housing and Urban Development;

(9) NAHA—Cranston-Gonzalez National Affordable Housing Act of 1990;

(10) NEPA—National Environmental Policy Act of 1969, as amended;

(11) NOI/EIS—Notice of Intent to Prepare an EIS;

(12) NOI/RROF—Notice of Intent to Request Release of Funds;

(13) ROD—Record of Decision;

(14) ROF—Release of Funds; and

(15) RROF—Request for Release of Funds.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56128, Sept. 29, 2003]

§ 58.4 Assumption authority.

(a) *Assumption authority for responsible entities: General.* Responsible entities shall assume the responsibility for environmental review, decision-making, and action that would otherwise apply to HUD under NEPA and other provisions of law that further the purposes of NEPA, as specified in § 58.5. Responsible entities that receive assistance directly from HUD assume these responsibilities by execution of a grant agreement with HUD and/or a legally binding document such as the certification contained on HUD Form 7015.15, certifying to the assumption of environmental responsibilities. When a State distributes funds to a responsible entity, the State must provide for appropriate procedures by which these responsible entities will evidence their

assumption of environmental responsibilities.

(b) *Particular responsibilities of the States.* (1) States are recipients for purposes of directly undertaking a State project and must assume the environmental review responsibilities for the State's activities and those of any non-governmental entity that may participate in the project. In this case, the State must submit the certification and RROF to HUD for approval.

(2) States must exercise HUD's responsibilities in accordance with § 58.18, with respect to approval of a unit of local government's environmental certification and RROF for a HUD assisted project funded through the state. Approval by the state of a unit of local government's certification and RROF satisfies the Secretary's responsibilities under NEPA and the related laws cited in § 58.5.

(c) *Particular responsibilities of Indian tribes.* An Indian tribe may, but is not required to, assume responsibilities for environmental review, decision-making and action for programs authorized by the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*) (other than title VIII) or section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a). The tribe must make a separate decision regarding assumption of responsibilities for each of these Acts and communicate that decision in writing to HUD. If the tribe assumes these responsibilities, the requirements of this part shall apply. If a tribe formally declines assumption of these responsibilities, they are retained by HUD and the provisions of part 50 of this title apply.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56128, Sept. 29, 2003]

§ 58.5 Related Federal laws and authorities.

In accordance with the provisions of law cited in § 58.1(b), the responsible entity must assume responsibilities for environmental review, decision-making and action that would apply to HUD under the following specified laws and authorities. The responsible entity must certify that it has complied with the requirements that would apply to HUD under these laws and authorities

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and must consider the criteria, standards, policies and regulations of these laws and authorities.

(a) *Historic properties.* (1) The National Historic Preservation Act of 1966 (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2).

(2) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 CFR 1971-1975 Comp., p. 559, particularly section 2(c).

(3) Federal historic preservation regulations as follows:

(i) 36 CFR part 800 with respect to HUD programs other than Urban Development Action Grants (UDAG); and

(ii) 36 CFR part 801 with respect to UDAG.

(4) The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

(b) *Floodplain management and wetland protection.* (1) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 CFR part 55, particularly section 2(a) of the order (For an explanation of the relationship between the decision-making process in 24 CFR part 55 and this part, see § 55.10 of this subtitle A.)

(2) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 CFR, 1977 Comp., p. 121, particularly sections 2 and 5.

(c) *Coastal Zone Management.* The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly section 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

(d) *Sole source aquifers.* (1) The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e) (42 U.S.C. 300h-3(e)).

(2) Sole Source Aquifers (Environmental Protection Agency—40 CFR part 149).

(e) *Endangered species.* The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536).

(f) *Wild and scenic rivers.* The Wild and Scenic Rivers Act of 1968 (16 U.S.C.

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1271 *et seq.*) as amended, particularly section 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

(g) *Air quality.* (1) The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)).

(2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 CFR parts 6, 51, and 93).

(h) *Farmlands protection.* (1) Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202).

(2) Farmland Protection Policy (Department of Agriculture—7 CFR part 658).

(i) *HUD environmental standards.* (1) Applicable criteria and standards specified in part 51 of this title, other than the runway clear zone notification requirement in § 51.303(a)(3).

(2)(i) Also, it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.

(ii) The environmental review of multifamily housing with five or more dwelling units (including leasing), or non-residential property, must include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to ensure that the occupants of proposed sites are not adversely affected by any of the hazards listed in paragraph (i)(2)(i) of this section.

(iii) Particular attention should be given to any proposed site on or in the general proximity of such areas as dumps, landfills, industrial sites, or other locations that contain, or may have contained, hazardous wastes.

(iv) The responsible entity shall use current techniques by qualified professionals to undertake investigations determined necessary.

(j) *Environmental justice.* Executive Order 12898—Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994 (59 FR 7629), 3 CFR, 1994 Comp. p. 859.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56128, Sept. 29, 2003]

§ 58.6 Other requirements.

In addition to the duties under the laws and authorities specified in § 58.5 for assumption by the responsible entity under the laws cited in § 58.1(b), the responsible entity must comply with the following requirements. Applicability of the following requirements does not trigger the certification and release of funds procedure under this part or preclude exemption of an activity under § 58.34(a)(12) and/or the applicability of § 58.35(b). However, the responsible entity remains responsible for addressing the following requirements in its ERR and meeting these requirements, where applicable, regardless of whether the activity is exempt under § 58.34 or categorically excluded under § 58.35(a) or (b).

(a)(1) Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001–4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than one year has passed since the FEMA notification regarding such hazards; and

(ii) Where the community is participating in the National Flood Insurance Program, flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.

(2) Where the community is participating in the National Flood Insurance Program and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, the responsible entity

is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(3) Paragraph (a) of this section does not apply to Federal formula grants made to a State.

(b) Under section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 5154a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if:

(1) The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and

(2) The person failed to obtain and maintain flood insurance.

(c) Pursuant to the Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3501), HUD assistance may not be used for most activities proposed in the Coastal Barrier Resources System.

(d) In all cases involving HUD assistance, subsidy, or insurance for the purchase or sale of an existing property in a Runway Clear Zone or Clear Zone, as defined in 24 CFR part 51, the responsible entity shall advise the buyer that the property is in a runway clear zone or clear zone, what the implications of such a location are, and that there is a possibility that the property may, at a later date, be acquired by the airport operator. The buyer must sign a statement acknowledging receipt of this information.

[61 FR 19122, Apr. 30, 1996, as amended at 63 FR 15271, Mar. 30, 1998]

Subpart B—General Policy: Responsibilities of Responsible Entities

§ 58.10 Basic environmental responsibility.

In accordance with the provisions of law cited in § 58.1(b), except as otherwise provided in § 58.4(c), the responsible entity must assume the environmental responsibilities for projects

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under programs cited in § 58.1(b). In doing so, the responsible entity must comply with the provisions of NEPA and the CEQ regulations contained in 40 CFR parts 1500 through 1508, including the requirements set forth in this part.

[68 FR 56128, Sept. 29, 2003]

§ 58.11 Legal capacity and performance.

(a) A responsible entity which believes that it does not have the legal capacity to carry out the environmental responsibilities required by this part must contact the appropriate local HUD Office or the State for further instructions. Determinations of legal capacity will be made on a case-by-case basis.

(b) If a public housing, special project, HOPWA, Supportive Housing, Shelter Plus Care, or Self-Help Homeownership Opportunity recipient that is not a responsible entity objects to the non-recipient responsible entity conducting the environmental review on the basis of performance, timing, or compatibility of objectives, HUD will review the facts to determine who will perform the environmental review.

(c) At any time, HUD may reject the use of a responsible entity to conduct the environmental review in a particular case on the basis of performance, timing or compatibility of objectives, or in accordance with § 58.77(d)(1).

(d) If a responsible entity, other than a recipient, objects to performing an environmental review, or if HUD determines that the responsible entity should not perform the environmental review, HUD may designate another responsible entity to conduct the review in accordance with this part or may itself conduct the environmental review in accordance with the provisions of 24 CFR part 50.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56129, Sept. 29, 2003]

§ 58.12 Technical and administrative capacity.

The responsible entity must develop the technical and administrative capability necessary to comply with 40 CFR parts 1500 through 1508 and the requirements of this part.

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§ 58.13 Responsibilities of the certifying officer.

Under the terms of the certification required by § 58.71, a responsible entity's certifying officer is the "responsible Federal official" as that term is used in section 102 of NEPA and in statutory provisions cited in § 58.1(b). The Certifying Officer is therefore responsible for all the requirements of section 102 of NEPA and the related provisions in 40 CFR parts 1500 through 1508, and 24 CFR part 58, including the related Federal authorities listed in § 58.5. The Certifying Officer must also:

(a) Represent the responsible entity and be subject to the jurisdiction of the Federal courts. The Certifying Officer will not be represented by the Department of Justice in court; and

(b) Ensure that the responsible entity reviews and comments on all EISs prepared for Federal projects that may have an impact on the recipient's program.

§ 58.14 Interaction with State, Federal and non-Federal entities.

A responsible entity shall consult with appropriate environmental agencies, State, Federal and non-Federal entities and the public in the preparation of an EIS, EA or other environmental reviews undertaken under the related laws and authorities cited in § 58.5 and § 58.6. The responsible entity must also cooperate with other agencies to reduce duplication between NEPA and comparable environmental review requirements of the State (see 40 CFR 1506.2 (b) and (c)). The responsible entity must prepare its EAs and EISs so that they comply with the environmental review requirements of both Federal and State laws unless otherwise specified or provided by law. State, Federal and local agencies may participate or act in a joint lead or co-operating agency capacity in the preparation of joint EISs or joint environmental assessments (see 40 CFR 1501.5(b) and 1501.6). A single EIS or EA may be prepared and adopted by multiple users to the extent that the review addresses the relevant environmental issues and there is a written agreement between the cooperating

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agencies which sets forth the coordinated and overall responsibilities.

[63 FR 15271, Mar 30, 1998]

§ 58.15 Tiering.

Responsible entities may tier their environmental reviews and assessments to eliminate repetitive discussions of the same issues at subsequent levels of review. Tiering is appropriate when there is a requirement to evaluate a policy or proposal in the early stages of development or when site-specific analysis or mitigation is not currently feasible and a more narrow or focused analysis is better done at a later date. The site specific review need only reference or summarize the issues addressed in the broader review. The broader review should identify and evaluate those issues ripe for decision and exclude those issues not relevant to the policy, program or project under consideration. The broader review should also establish the policy, standard or process to be followed in the site specific review. The Finding of No Significant Impact (FONSI) with respect to the broader assessment shall include a summary of the assessment and identify the significant issues to be considered in site specific reviews. Subsequent site-specific reviews will not require notices or a Request for Release of Funds unless the Certifying Officer determines that there are unanticipated impacts or impacts not adequately addressed in the prior review. A tiering approach can be used for meeting environmental review requirements in areas designated for special focus in local Consolidated Plans. Local and State Governments are encouraged to use the Consolidated Plan process to facilitate environmental reviews.

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§ 58.18 Responsibilities of States assuming HUD environmental responsibilities.

States that elect to administer a HUD program shall ensure that the program complies with the provisions of this part. The state must:

(a) Designate the state agency or agencies that will be responsible for carrying out the requirements and ad-

ministrative responsibilities set forth in subpart H of this part and which will:

(1) Develop a monitoring and enforcement program for post-review actions on environmental reviews and monitor compliance with any environmental conditions included in the award.

(2) Receive public notices, RROFs, and certifications from recipients pursuant to §§ 58.70 and 58.71; accept objections from the public and from other agencies (§ 58.73); and perform other related responsibilities regarding releases of funds.

(b) Fulfill the state role in subpart H relative to the time period set for the receipt and disposition of comments, objections and appeals (if any) on particular projects.

[68 FR 56129, Sept. 29, 2003]

Subpart C—General Policy: Environmental Review Procedures

§ 58.21 Time periods.

All time periods in this part shall be counted in calendar days. The first day of a time period begins at 12:01 a.m. local time on the day following the publication or the mailing and posting date of the notice which initiates the time period.

§ 58.22 Limitations on activities pending clearance.

(a) Neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in § 58.1(b) on an activity or project until HUD or the state has approved the recipient's RROF and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in § 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

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(b) If a project or activity is exempt under § 58.34, or is categorically excluded (except in extraordinary circumstances) under § 58.35(b), no RROF is required and the recipient may undertake the activity immediately after the responsible entity has documented its determination as required in § 58.34(b) and § 58.35(d), but the recipient must comply with applicable requirements under § 58.6.

(c) If a recipient is considering an application from a prospective subrecipient or beneficiary and is aware that the prospective subrecipient or beneficiary is about to take an action within the jurisdiction of the recipient that is prohibited by paragraph (a) of this section, then the recipient will take appropriate action to ensure that the objectives and procedures of NEPA are achieved.

(d) An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with this part and the cost of the option is a nominal portion of the purchase price. There is no constraint on the purchase of an option by third parties that have not been selected for HUD funding, have no responsibility for the environmental review and have no say in the approval or disapproval of the project.

(e) *Self-Help Homeownership Opportunity Program (SHOP)*. In accordance with section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note), an organization, consortium, or affiliate receiving assistance under the SHOP program may advance nongrant funds to acquire land prior to completion of an environmental review and approval of a Request for Release of Funds (RROF) and certification, notwithstanding paragraph (a) of this section. Any advances to acquire land prior to approval of the RROF and certification are made at the risk of the organization, consortium, or affiliate and reimbursement for such advances may depend on the result of the environmental review. This authorization is limited to the

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SHOP program only and all other forms of HUD assistance are subject to the limitations in paragraph (a) of this section.

(f) *Relocation*. Funds may be committed for relocation assistance before the approval of the RROF and related certification for the project provided that the relocation assistance is required by 24 CFR part 42.

[68 FR 56129, Sept. 29, 2003]

§ 58.23 Financial assistance for environmental review.

The costs of environmental reviews, including costs incurred in complying with any of the related laws and authorities cited in § 58.5 and § 58.6, are eligible costs to the extent allowable under the HUD assistance program regulations.

Subpart D—Environmental Review Process: Documentation, Range of Activities, Project Aggregation and Classification

§ 58.30 Environmental review process.

(a) The environmental review process consists of all the actions that a responsible entity must take to determine compliance with this part. The environmental review process includes all the compliance actions needed for other activities and projects that are not assisted by HUD but are aggregated by the responsible entity in accordance with § 58.32.

(b) The environmental review process should begin as soon as a recipient determines the projected use of HUD assistance.

§ 58.32 Project aggregation.

(a) A responsible entity must group together and evaluate as a single project all individual activities which are related either on a geographical or functional basis, or are logical parts of a composite of contemplated actions.

(b) In deciding the most appropriate basis for aggregation when evaluating activities under more than one program, the responsible entity may choose: *functional aggregation* when a specific type of activity (e.g., water improvements) is to take place in several

separate locales or jurisdictions; *geographic aggregation* when a mix of dissimilar but related activities is to be concentrated in a fairly specific project area (e.g., a combination of water, sewer and street improvements and economic development activities); or a *combination of aggregation approaches*, which, for various project locations, considers the impacts arising from each functional activity and its interrelationship with other activities.

(c) The purpose of project aggregation is to group together related activities so that the responsible entity can:

(1) Address adequately and analyze, in a single environmental review, the separate and combined impacts of activities that are similar, connected and closely related, or that are dependent upon other activities and actions. (See 40 CFR 1508.25(a)).

(2) Consider reasonable alternative courses of action.

(3) Schedule the activities to resolve conflicts or mitigate the individual, combined and/or cumulative effects.

(4) Prescribe mitigation measures and safeguards including project alternatives and modifications to individual activities.

(d) *Multi-year project aggregation*—(1) *Release of funds.* When a recipient's planning and program development provide for activities to be implemented over two or more years, the responsible entity's environmental review should consider the relationship among all component activities of the multi-year project regardless of the source of funds and address and evaluate their cumulative environmental effects. The estimated range of the aggregated activities and the estimated cost of the total project must be listed and described by the responsible entity in the environmental review and included in the RROF. The release of funds will cover the entire project period.

(2) When one or more of the conditions described in § 58.47 exists, the recipient or other responsible entity must re-evaluate the environmental review.

§ 58.33 Emergencies.

(a) In the cases of emergency, disaster or imminent threat to health and

safety which warrant the taking of an action with significant environmental impact, the provisions of 40 CFR 1506.11 shall apply.

(b) If funds are needed on an emergency basis and adherence to separate comment periods would prevent the giving of assistance during a Presidentially declared disaster, or during a local emergency that has been declared by the chief elected official of the responsible entity who has proclaimed that there is an immediate need for public action to protect the public safety, the combined Notice of FONSI and Notice of Intent to Request Release of Funds (NOI/RROF) may be disseminated and/or published simultaneously with the submission of the RROF. The combined Notice of FONSI and NOI/RROF shall state that the funds are needed on an emergency basis due to a declared disaster and that the comment periods have been combined. The Notice shall also invite commenters to submit their comments to both HUD and the responsible entity issuing the notice to ensure that these comments will receive full consideration.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56129, Sept. 29, 2003]

§ 58.34 Exempt activities.

(a) Except for the applicable requirements of § 58.6, the responsible entity does not have to comply with the requirements of this part or undertake any environmental review, consultation or other action under NEPA and the other provisions of law or authorities cited in § 58.5 for the activities exempt by this section or projects consisting solely of the following exempt activities:

(1) Environmental and other studies, resource identification and the development of plans and strategies;

(2) Information and financial services;

(3) Administrative and management activities;

(4) Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care,

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health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;

(5) Inspections and testing of properties for hazards or defects;

(6) Purchase of insurance;

(7) Purchase of tools;

(8) Engineering or design costs;

(9) Technical assistance and training;

(10) Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;

(11) Payment of principal and interest on loans made or obligations guaranteed by HUD;

(12) Any of the categorical exclusions listed in § 58.35(a) provided that there are no circumstances which require compliance with any other Federal laws and authorities cited in § 58.5.

(b) A recipient does not have to submit an RROF and certification, and no further approval from HUD or the State will be needed by the recipient for the drawdown of funds to carry out exempt activities and projects. However, the responsible entity must document in writing its determination that each activity or project is exempt and meets the conditions specified for such exemption under this section.

[61 FR 19122, Apr. 30, 1996, as amended at 63 FR 15271, Mar. 30, 1998]

§ 58.35 Categorical exclusions.

Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required, except in extraordinary circumstances (see § 58.2(a)(3)) in which a normally excluded activity may have a significant impact. Compliance with the other applicable Federal environmental laws and authorities listed in § 58.5 is required for any categorical exclusion listed in paragraph (a) of this section.

(a) *Categorical exclusions subject to § 58.5.* The following activities are categorically excluded under NEPA, but

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may be subject to review under authorities listed in § 58.5:

(1) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).

(2) Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and handicapped persons.

(3) Rehabilitation of buildings and improvements when the following conditions are met:

(i) In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland;

(ii) In the case of multifamily residential buildings:

(A) Unit density is not changed more than 20 percent;

(B) The project does not involve changes in land use from residential to non-residential; and

(C) The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

(iii) In the case of non-residential structures, including commercial, industrial, and public buildings:

(A) The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and

(B) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.

(4)(i) An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or

(ii) An individual action on a project of five or more housing units developed on scattered sites when the sites are

more than 2,000 feet apart and there are not more than four housing units on any one site.

(iii) Paragraphs (a)(4)(i) and (ii) of this section do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (a)(3)(i) of this section).

(5) Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.

(6) Combinations of the above activities.

(b) *Categorical exclusions not subject to § 58.5.* The Department has determined that the following categorically excluded activities would not alter any conditions that would require a review or compliance determination under the Federal laws and authorities cited in § 58.5. When the following kinds of activities are undertaken, the responsible entity does not have to publish a NOI/RROF or execute a certification and the recipient does not have to submit a RROF to HUD (or the State) except in the circumstances described in paragraph (c) of this section. Following the award of the assistance, no further approval from HUD or the State will be needed with respect to environmental requirements, except where paragraph (c) of this section applies. The recipient remains responsible for carrying out any applicable requirements under § 58.6.

(1) Tenant-based rental assistance;

(2) Supportive services including, but not limited to, health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent/mortgage/utility costs, and assistance in gaining access to local, State, and Federal government benefits and services;

(3) Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs;

(4) Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses

and similar costs not associated with construction or expansion of existing operations;

(5) Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buydowns, and similar activities that result in the transfer of title.

(6) Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact.

(7) Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under § 58.47.

(c) *Circumstances requiring NEPA review.* If a responsible entity determines that an activity or project identified in paragraph (a) or (b) of this section, because of extraordinary circumstances and conditions at or affecting the location of the activity or project, may have a significant environmental effect, it shall comply with all the requirements of this part.

(d) The Environmental Review Record (ERR) must contain a well organized written record of the process and determinations made under this section.

[61 FR 19122, Apr. 30, 1996, as amended at 63 FR 15272, Mar. 30, 1998; 68 FR 56129, Sept. 29, 2003]

§ 58.36 Environmental assessments.

If a project is not exempt or categorically excluded under §§ 58.34 and 58.35, the responsible entity must prepare an EA in accordance with subpart E of this part. If it is evident without preparing an EA that an EIS is required under § 58.37, the responsible entity should proceed directly to an EIS.

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§ 58.37 Environmental impact statement determinations.

(a) An EIS is required when the project is determined to have a potentially significant impact on the human environment.

(b) An EIS is required under any of the following circumstances, except as provided in paragraph (c) of this section:

(1) The project would provide a site or sites for, or result in the construction of, hospitals or nursing homes containing a total of 2,500 or more beds.

(2) The project would remove, demolish, convert or substantially rehabilitate 2,500 or more existing housing units (but not including rehabilitation projects categorically excluded under § 58.35), or would result in the construction or installation of 2,500 or more housing units, or would provide sites for 2,500 or more housing units.

(3) The project would provide enough additional water and sewer capacity to support 2,500 or more additional housing units. The project does not have to be specifically intended for residential use nor does it have to be totally new construction. If the project is designed to provide upgraded service to existing development as well as to serve new development, only that portion of the increased capacity which is intended to serve new development should be counted.

(c) If, on the basis of an EA, a responsible entity determines that the thresholds in paragraph (b) of this section are the sole reason for the EIS, the responsible entity may prepare a FONSI pursuant to 40 CFR 1501.4. In such cases, the FONSI must be made available for public review for at least 30 days before the responsible entity makes the final determination whether to prepare an EIS.

(d) Notwithstanding paragraphs (a) through (c) of this section, an EIS is not required where § 58.53 is applicable.

(e) *Recommended EIS Format.* The responsible entity must use the EIS format recommended by the CEQ regulations (40 CFR 1502.10) unless a determination is made on a particular project that there is a compelling rea-

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son to do otherwise. In such a case, the EIS format must meet the minimum requirements prescribed in 40 CFR 1502.10.

§ 58.38 Environmental review record.

The responsible entity must maintain a written record of the environmental review undertaken under this part for each project. This document will be designated the "Environmental Review Record" (ERR), and shall be available for public review. The responsible entity must use the current HUD-recommended formats or develop equivalent formats.

(a) *ERR Documents.* The ERR shall contain all the environmental review documents, public notices and written determinations or environmental findings required by this part as evidence of review, decisionmaking and actions pertaining to a particular project of a recipient. The document shall:

(1) Describe the project and the activities that the recipient has determined to be part of the project;

(2) Evaluate the effects of the project or the activities on the human environment;

(3) Document compliance with applicable statutes and authorities, in particular those cited in § 58.5 and 58.6; and

(4) Record the written determinations and other review findings required by this part (e.g., exempt and categorically excluded projects determinations, findings of no significant impact).

(b) *Other documents and information.* The ERR shall also contain verifiable source documents and relevant base data used or cited in EAs, EISs or other project review documents. These documents may be incorporated by reference into the ERR provided that each source document is identified and available for inspection by interested parties. Proprietary material and special studies prepared for the recipient that are not otherwise generally available for public review shall not be incorporated by reference but shall be included in the ERR.

Subpart E—Environmental Review Process: Environmental Assessments (EA's)

§ 58.40 Preparing the environmental assessment.

The responsible entity may prepare the EA using the HUD recommended format. In preparing an EA for a particular project, the responsible entity must:

(a) Determine existing conditions and describe the character, features and resources of the project area and its surroundings; identify the trends that are likely to continue in the absence of the project.

(b) Identify all potential environmental impacts, whether beneficial or adverse, and the conditions that would change as a result of the project.

(c) Identify, analyze and evaluate all impacts to determine the significance of their effects on the human environment and whether the project will require further compliance under related laws and authorities cited in § 58.5 and § 58.6.

(d) Examine and recommend feasible ways in which the project or external factors relating to the project could be modified in order to eliminate or minimize adverse environmental impacts.

(e) Examine alternatives to the project itself, if appropriate, including the alternative of no action.

(f) Complete all environmental review requirements necessary for the project's compliance with applicable authorities cited in §§ 58.5 and 58.6.

(g) Based on steps set forth in paragraph (a) through (f) of this section, make one of the following findings:

(1) A Finding of No Significant Impact (FONSI), in which the responsible entity determines that the project is not an action that will result in a significant impact on the quality of the human environment. The responsible entity may then proceed to § 58.43.

(2) A finding of significant impact, in which the project is deemed to be an action which may significantly affect the quality of the human environment. The responsible entity must then proceed with its environmental review under subpart F or G of this part.

§ 58.43 Dissemination and/or publication of the findings of no significant impact.

(a) If the responsible entity makes a finding of no significant impact, it must prepare a FONSI notice, using the current HUD-recommended format or an equivalent format. As a minimum, the responsible entity must send the FONSI notice to individuals and groups known to be interested in the activities, to the local news media, to the appropriate tribal, local, State and Federal agencies; to the Regional Offices of the Environmental Protection Agency having jurisdiction and to the HUD Field Office (or the State where applicable). The responsible entity may also publish the FONSI notice in a newspaper of general circulation in the affected community. If the notice is not published, it must also be prominently displayed in public buildings, such as the local Post Office and within the project area or in accordance with procedures established as part of the citizen participation process.

(b) The responsible entity may disseminate or publish a FONSI notice at the same time it disseminates or publishes the NOI/RROF required by § 58.70. If the notices are released as a combined notice, the combined notice shall:

(1) Clearly indicate that it is intended to meet two separate procedural requirements; and

(2) Advise the public to specify in their comments which "notice" their comments address.

(c) The responsible entity must consider the comments and make modifications, if appropriate, in response to the comments, before it completes its environmental certification and before the recipient submits its RROF. If funds will be used in Presidentially declared disaster areas, modifications resulting from public comment, if appropriate, must be made before proceeding with the expenditure of funds.

§ 58.45 Public comment periods.

Required notices must afford the public the following minimum comment periods, counted in accordance with § 58.21:

(a) Notice of Finding of No Significant Impact (FONSI).	15 days when published or, if no publication, 18 days when mailing and posting
(b) Notice of Intent to Request Release of Funds (NOI–RROF).	7 days when published or, if no publication, 10 days when mailing and posting
(c) Concurrent or combined notices	15 days when published or, if no publication, 18 days when mailing and posting

[68 FR 56130, Sept. 29, 2003]

§ 58.46 Time delays for exceptional circumstances.

The responsible entity must make the FONSI available for public comments for 30 days before the recipient files the RROF when:

- (a) There is a considerable interest or controversy concerning the project;
- (b) The proposed project is similar to other projects that normally require the preparation of an EIS; or
- (c) The project is unique and without precedent.

§ 58.47 Re-evaluation of environmental assessments and other environmental findings.

(a) A responsible entity must re-evaluate its environmental findings to determine if the original findings are still valid, when:

- (1) The recipient proposes substantial changes in the nature, magnitude or extent of the project, including adding new activities not anticipated in the original scope of the project;
 - (2) There are new circumstances and environmental conditions which may affect the project or have a bearing on its impact, such as concealed or unexpected conditions discovered during the implementation of the project or activity which is proposed to be continued; or
 - (3) The recipient proposes the selection of an alternative not in the original finding.
- (b)(1) If the original findings are still valid but the data or conditions upon which they were based have changed, the responsible entity must affirm the original findings and update its ERR by including this re-evaluation and its determination based on its findings. Under these circumstances, if a FONSI notice has already been published, no further publication of a FONSI notice is required.

(2) If the responsible entity determines that the original findings are no longer valid, it must prepare an EA or an EIS if its evaluation indicates potentially significant impacts.

(3) Where the recipient is not the responsible entity, the recipient must inform the responsible entity promptly of any proposed substantial changes under paragraph (a)(1) of this section, new circumstances or environmental conditions under paragraph (a)(2) of this section, or any proposals to select a different alternative under paragraph (a)(3) of this section, and must then permit the responsible entity to re-evaluate the findings before proceeding.

[61 FR 19122, Apr. 30, 1996, as amended at 63 FR 15272, Mar. 30, 1998]

Subpart F—Environmental Review Process: Environmental Impact Statement Determinations

§ 58.52 Adoption of other agencies' EISs.

The responsible entity may adopt a draft or final EIS prepared by another agency provided that the EIS was prepared in accordance with 40 CFR parts 1500 through 1508. If the responsible entity adopts an EIS prepared by another agency, the procedure in 40 CFR 1506.3 shall be followed. An adopted EIS may have to be revised and modified to adapt it to the particular environmental conditions and circumstances of the project if these are different from the project reviewed in the EIS. In such cases the responsible entity must prepare, circulate, and file a supplemental draft EIS in the manner prescribed in § 58.60(d) and otherwise comply with the clearance and time requirements of the EIS process, except

that scoping requirements under 40 CFR 1501.7 shall not apply. The agency that prepared the original EIS should be informed that the responsible entity intends to amend and adopt the EIS. The responsible entity may adopt an EIS when it acts as a cooperating agency in its preparation under 40 CFR 1506.3. The responsible entity is not required to re-circulate or file the EIS, but must complete the clearance process for the RROF. The decision to adopt an EIS shall be made a part of the project ERR.

§ 58.53 Use of prior environmental impact statements.

Where any final EIS has been listed in the FEDERAL REGISTER for a project pursuant to this part, or where an areawide or similar broad scale final EIS has been issued and the EIS anticipated a subsequent project requiring an environmental clearance, then no new EIS is required for the subsequent project if all the following conditions are met:

(a) The ERR contains a decision based on a finding pursuant to § 58.40 that the proposed project is not a new major Federal action significantly affecting the quality of the human environment. The decision shall include:

(1) References to the prior EIS and its evaluation of the environmental factors affecting the proposed subsequent action subject to NEPA;

(2) An evaluation of any environmental factors which may not have been previously assessed, or which may have significantly changed;

(3) An analysis showing that the proposed project is consistent with the location, use, and density assumptions for the site and with the timing and capacity of the circulation, utility, and other supporting infrastructure assumptions in the prior EIS;

(4) Documentation showing that where the previous EIS called for mitigating measures or other corrective action, these are completed to the extent reasonable given the current state of development.

(b) The prior final EIS has been filed within five (5) years, and updated as follows:

(1) The EIS has been updated to reflect any significant revisions made to

the assumptions under which the original EIS was prepared;

(2) The EIS has been updated to reflect new environmental issues and data or legislation and implementing regulations which may have significant environmental impact on the project area covered by the prior EIS.

(c) There is no litigation pending in connection with the prior EIS, and no final judicial finding of inadequacy of the prior EIS has been made.

Subpart G—Environmental Review Process: Procedures for Draft, Final and Supplemental Environmental Impact Statements

§ 58.55 Notice of intent to prepare an EIS.

As soon as practicable after the responsible entity decides to prepare an EIS, it must publish a NOI/EIS, using the HUD recommended format and disseminate it in the same manner as required by 40 CFR parts 1500 through 1508.

§ 58.56 Scoping process.

The determination on whether or not to hold a scoping meeting will depend on the same circumstances and factors as for the holding of public hearings under § 58.59. The responsible entity must wait at least 15 days after disseminating or publishing the NOI/EIS before holding a scoping meeting.

§ 58.57 Lead agency designation.

If there are several agencies ready to assume the lead role, the responsible entity must make its decision based on the criteria in 40 CFR 1501.5(c). If the responsible entity and a Federal agency are unable to reach agreement, then the responsible entity must notify HUD (or the State, where applicable). HUD (or the State) will assist in obtaining a determination based on the procedure set forth in 40 CFR 1501.5(e).

§ 58.59 Public hearings and meetings.

(a) *Factors to consider.* In determining whether or not to hold public hearings in accordance with 40 CFR 1506.6, the responsible entity must consider the following factors:

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(1) The magnitude of the project in terms of economic costs, the geographic area involved, and the uniqueness or size of commitment of resources involved.

(2) The degree of interest in or controversy concerning the project.

(3) The complexity of the issues and the likelihood that information will be presented at the hearing which will be of assistance to the responsible entity.

(4) The extent to which public involvement has been achieved through other means.

(b) *Procedure.* All public hearings must be preceded by a notice of public hearing, which must be published in the local news media 15 days before the hearing date. The Notice must:

(1) State the date, time, place, and purpose of the hearing or meeting.

(2) Describe the project, its estimated costs, and the project area.

(3) State that persons desiring to be heard on environmental issues will be afforded the opportunity to be heard.

(4) State the responsible entity's name and address and the name and address of its Certifying Officer.

(5) State what documents are available, where they can be obtained, and any charges that may apply.

§ 58.60 Preparation and filing of environmental impact statements.

(a) The responsible entity must prepare the draft environmental impact statement (DEIS) and the final environmental impact statements (FEIS) using the current HUD recommended format or its equivalent.

(b) The responsible entity must file and distribute the (DEIS) and the (FEIS) in the following manner:

(1) Five copies to EPA Headquarters;

(2) Five copies to EPA Regional Office;

(3) Copies made available in the responsible entity's and the recipient's office;

(4) Copies or summaries made available to persons who request them; and

(5) FEIS only—one copy to State, HUD Field Office, and HUD Headquarters library.

(c) The responsible entity may request waivers from the time requirements specified for the draft and final EIS as prescribed in 40 CFR 1506.6.

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(d) When substantial changes are proposed in a project or when significant new circumstances or information becomes available during an environmental review, the recipient may prepare a supplemental EIS as prescribed in 40 CFR 1502.9.

(e) The responsible entity must prepare a Record of Decision (ROD) as prescribed in 40 CFR 1505.2.

[61 FR 19122, Apr. 30, 1996, as amended at 63 FR 15272, Mar. 30, 1998]

Subpart H—Release of Funds for Particular Projects

§ 58.70 Notice of intent to request release of funds.

The NOI/RROF must be disseminated and/or published in the manner prescribed by § 58.43 and § 58.45 before the certification is signed by the responsible entity.

§ 58.71 Request for release of funds and certification.

(a) The RROF and certification shall be sent to the appropriate HUD Field Office (or the State, if applicable), except as provided in paragraph (b) of this section. This request shall be executed by the Certifying Officer. The request shall describe the specific project and activities covered by the request and contain the certification required under the applicable statute cited in § 58.1(b). The RROF and certification must be in a form specified by HUD.

(b) When the responsible entity is conducting an environmental review on behalf of a recipient, as provided for in § 58.10, the recipient must provide the responsible entity with all available project and environmental information and refrain from undertaking any physical activities or choice limiting actions until HUD (or the State, if applicable) has approved its request for release of funds. The certification form executed by the responsible entity's certifying officer shall be sent to the recipient that is to receive the assistance along with a description of any special environmental conditions that must be adhered to in carrying out the project. The recipient is to submit the RROF and the certification of the responsible entity to HUD (or the State, if applicable) requesting the release of

funds. The recipient must agree to abide by the special conditions, procedures and requirements of the environmental review, and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions.

(c) If the responsible entity determines that some of the activities are exempt under applicable provisions of this part, the responsible entity shall advise the recipient that it may commit funds for these activities as soon as programmatic authorization is received. This finding shall be documented in the ERR maintained by the responsible entity and in the recipient's project files.

§ 58.72 HUD or State actions on RROFs and certifications.

The actions which HUD (or a State) may take with respect to a recipient's environmental certification and RROF are as follows:

(a) In the absence of any receipt of objection to the contrary, except as provided in paragraph (b) of this section, HUD (or the State) will assume the validity of the certification and RROF and will approve these documents after expiration of the 15-day period prescribed by statute.

(b) HUD (or the state) may disapprove a certification and RROF if it has knowledge that the responsible entity or other participants in the development process have not complied with the items in § 58.75, or that the RROF and certification are inaccurate.

(c) In cases in which HUD has approved a certification and RROF but subsequently learns (e.g., through monitoring) that the recipient violated § 58.22 or the recipient or responsible entity otherwise failed to comply with a clearly applicable environmental authority, HUD shall impose appropriate remedies and sanctions in accord with the law and regulations for the program under which the violation was found.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56130, Sept. 29, 2003]

§ 58.73 Objections to release of funds.

HUD (or the State) will not approve the ROF for any project before 15 cal-

endar days have elapsed from the time of receipt of the RROF and the certification or from the time specified in the notice published pursuant to § 58.70, whichever is later. Any person or agency may object to a recipient's RROF and the related certification. However, the objections must meet the conditions and procedures set forth in subpart H of this part. HUD (or the State) can refuse the RROF and certification on any grounds set forth in § 58.75. All decisions by HUD (or the State) regarding the RROF and the certification shall be final.

§ 58.74 Time for objecting.

All objections must be received by HUD (or the State) within 15 days from the time HUD (or the State) receives the recipient's RROF and the related certification, or within the time period specified in the notice, whichever is later.

§ 58.75 Permissible bases for objections.

HUD (or the State), will consider objections claiming a responsible entity's noncompliance with this part based only on any of the following grounds:

(a) The certification was not in fact executed by the responsible entity's Certifying Officer.

(b) The responsible entity has failed to make one of the two findings pursuant to § 58.40 or to make the written determination required by §§ 58.35, 58.47 or 58.53 for the project, as applicable.

(c) The responsible entity has omitted one or more of the steps set forth at subpart E of this part for the preparation, publication and completion of an EA.

(d) The responsible entity has omitted one or more of the steps set forth at subparts F and G of this part for the conduct, preparation, publication and completion of an EIS.

(e) The recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by this part before release of funds and approval of the environmental certification by HUD (or the state).

(f) Another Federal agency acting pursuant to 40 CFR part 1504 has submitted a written finding that the

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project is unsatisfactory from the standpoint of environmental quality.

[61 FR 19122, Apr. 30, 1996, as amended at 68 FR 56130, Sept. 29, 2003]

§ 58.76 Procedure for objections.

A person or agency objecting to a responsible entity's RROF and certification shall submit objections in writing to HUD (or the State). The objections shall:

(a) Include the name, address and telephone number of the person or agency submitting the objection, and be signed by the person or authorized official of an agency.

(b) Be dated when signed.

(c) Describe the basis for objection and the facts or legal authority supporting the objection.

(d) State when a copy of the objection was mailed or delivered to the responsible entity's Certifying Officer.

§ 58.77 Effect of approval of certification.

(a) *Responsibilities of HUD and States.* HUD's (or, where applicable, the State's) approval of the certification shall be deemed to satisfy the responsibilities of the Secretary under NEPA and related provisions of law cited at § 58.5 insofar as those responsibilities relate to the release of funds as authorized by the applicable provisions of law cited in § 58.1(b).

(b) *Public and agency redress.* Persons and agencies seeking redress in relation to environmental reviews covered by an approved certification shall deal with the responsible entity and not with HUD. It is HUD's policy to refer all inquiries and complaints to the responsible entity and its Certifying Officer. Similarly, the State (where applicable) may direct persons and agencies seeking redress in relation to environmental reviews covered by an approved certification to deal with the responsible entity, and not the State, and may refer inquiries and complaints to the responsible entity and its Certifying Officer. Remedies for noncompliance are set forth in program regulations.

(c) *Implementation of environmental review decisions.* Projects of a recipient will require post-review monitoring and other inspection and enforcement

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actions by the recipient and the State or HUD (using procedures provided for in program regulations) to assure that decisions adopted through the environmental review process are carried out during project development and implementation.

(d) *Responsibility for monitoring and training.* (1) At least once every three years, HUD intends to conduct in-depth monitoring and exercise quality control (through training and consultation) over the environmental activities performed by responsible entities under this part. Limited monitoring of these environmental activities will be conducted during each program monitoring site visit. If through limited or in-depth monitoring of these environmental activities or by other means, HUD becomes aware of any environmental deficiencies, HUD may take one or more of the following actions:

(i) In the case of problems found during limited monitoring, HUD may schedule in-depth monitoring at an earlier date or may schedule in-depth monitoring more frequently;

(ii) HUD may require attendance by staff of the responsible entity at HUD-sponsored or approved training, which will be provided periodically at various locations around the country;

(iii) HUD may refuse to accept the certifications of environmental compliance on subsequent grants;

(iv) HUD may suspend or terminate the responsible entity's assumption of the environmental review responsibility;

(v) HUD may initiate sanctions, corrective actions, or other remedies specified in program regulations or agreements or contracts with the recipient.

(2) HUD's responsibilities and action under paragraph (d)(1) of this section shall not be construed to limit or reduce any responsibility assumed by a responsible entity with respect to any particular release of funds under this part. Whether or not HUD takes action under paragraph (d)(1) of this section, the Certifying Officer remains the responsible Federal official under § 58.13 with respect to projects and activities for which the Certifying Officer has submitted a certification under this part.

CHAPTER FOUR

RELOCATION AND DISPLACEMENT

1. OVERVIEW

- 1.1 **THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970 (UNIFORM ACT)** - The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act), and its implementing regulations, 49 CFR Part 24 requires relocation assistance where acquisition has occurred under the Uniform Act.
1. The Uniform Act coverage was expanded in 1987 to cover displacement of individuals resulting from rehabilitation, demolition or private acquisition carried out under a federally assisted project or program.
- 1.2 **Section 104(d)** - Section 104(d) of the Housing and Community Development Act ("The Barney Frank Amendments") and HUD's Residential Anti-Displacement and Relocation Assistance Plan include additional relocation requirements. This extra level of relocation protection may be triggered for low income households when units are converted or demolished with CDBG, UDAG, or HOME funds.
1. When Section 104(d) is triggered, jurisdictions may need to replace any low/moderate income dwelling units that are lost to the conversion or demolition. This chapter covers only residential relocation. If non-residential (commercial/industrial) relocation is involved, contact THDA.

2. PROGRAM DESIGN CONSIDERATIONS FOR HOME ADMINISTRATORS

- 2.1 **RELOCATION CONSIDERATIONS IN PROJECT SELECTION** - Concerns about relocation may cause an administrator to consider establishing a preference for vacant buildings. However, administrators should also consider:
1. Vacant buildings are often very deteriorated. Rehabilitating an occupied building even with the cost of assisting tenants to remain or relocate, may be less costly than rehabilitating a vacant building.
 2. Selecting vacant projects does not relieve all relocation concerns. Vacant buildings in good condition may have been recently occupied. If so, the program administrator must consider whether the owner removed the tenants in order to apply for HOME assistance for a vacant building. If so, these tenants are displaced persons.
 3. In occupied buildings, program administrators must consider whether occupants will be able to return after rehabilitation and whether Section 8 is available to

avoid displacement and whether Section 8 assistance is available to help meet relocation costs.

- 2.2 **MINIMIZING DISPLACEMENT** - Consistent with the HOME rules and THDA's Non-Displacement Plan, each Grantee must insure that it has taken all reasonable steps to minimize the displacement of persons as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.
- 2.3 **NEED FOR SKILLED RELOCATION STAFF** - Skilled staff can save the local program money and build goodwill with owners and tenants. Failure to understand and follow relocation requirements can result in unnecessary costs for the local program.
- 2.4 **EARLY DISCUSSIONS WITH OWNERS AND PROGRAM STAFF** - It is possible for uninformed owners and staff to take steps that would obligate the local program to provide significant relocation benefits and services. Early briefings for owners and program staff on relocation rules are essential.

3. RELOCATION REFERENCE MATERIAL AND RESOURCES

- 3.1 **HANDBOOK 1378** - Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition consolidates relocation requirements for HOME and other HUD programs in one document. It is available from HUD Field Offices or by contacting THDA.
- 3.2 **INFORMATIONAL BOOKLETS** - HUD informational booklets for persons who are displaced or whose property is to be acquired are available from HUD Field Offices or by contacting THDA.
- 3.3 **HUD WEBSITE** – www.HUD.gov/relocation.

4. UNIFORM RELOCATION ACT REQUIREMENTS

- 4.1 **TRIGGERING URA** - URA requirements are triggered at the time the owner's proposal is submitted and additional requirements are triggered at the time the agreement is signed between the owner and the grantee.
- 4.2 **TREATMENT OF DISPLACED PERSONS** - Treatment of displaced persons depends upon whether the displaced person is a tenant or owner; a business or family; has income above or below the Section 8 Lower Income Limit.
- 4.3 **TEMPORARY RELOCATION OF RESIDENTIAL TENANTS** - Residential tenants who will not be required to move permanently but who must relocate temporarily for the project must be provided reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.

1. In addition, these tenants must also be provided with:
 - a. Appropriate advisory services, including advance written notice of the date and approximate duration of the temporary relocation;
 - b. The location of the suitable, decent, safe and sanitary dwelling to be made available for the temporary period;
 - c. The terms and conditions under which the tenant may lease and occupy a unit in the building/complex upon completion of the project.
 - d. An offer of permanent relocation assistance if the relocation continues in excess of one year.

4.4 **DISPLACED PERSON** - A person (family individual, business, non-profit organization or farm, including any corporation, partnership or association) that moves from the real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

1. After notice by the owner to move permanently from the property, if the move occurs on or after:
 - a. The date of the submission of an application to the State or HUD, if the applicant has site control and the application is later approved; or
 - b. The date the State approves the applicable site, if the applicant does not have site control at the time of the application; or
2. Before the date described in paragraph 4.4(1)(a-b) above if the State or HUD determines that the displacement resulted directly from acquisition, rehabilitation or demolition for the project; or
3. By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:
 - a. The tenant moves after execution of the agreement covering the acquisition, rehabilitation or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average utility costs that do not exceed the greater of:
 1. The tenant's monthly rent before such agreement and estimated average monthly utility costs; or
 2. The total tenant payment, as determined under 24 CFR 813.107, if the tenant is low-income, or 30% of gross household income, if the tenant is not low-income; or

- b. The tenant is required to relocate temporarily, does not return to the building/complex, and either:
 - 1. The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or
 - 2. Other conditions of the temporary relocation are not reasonable; or
- c. The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

4.5 NON-DISPLACED PERSON – A person *does not qualify as a displaced person if:*

- 1. The person has been evicted for cause, based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the State determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date for any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.
- 2. The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a “displaced person” (or for any assistance under this section) as a result of the project;
- 3. The person is ineligible under 49 CFR 24.2(g)(2); or
- 4. HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

4.6. INITIATION OF NEGOTIATIONS - For purposes of determining the formula for computing replacement housing assistance to be provided under the Uniform Relocation Act to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term initiation of negotiations means the following:

- 1. When a Federal or State Agency is acquiring the property, the initiation of negotiations means the initial written offer of compensation to purchase the property from the owner. If the Federal or State Agency issues a notice of intent to acquire the property but the person moves out before the written purchase offer, the initiation of negotiations means the actual move of the person from the property.
- 2. When the displacement occurs due to rehabilitation, demolition or a private acquisition, the initiation of negotiations means the Notice of Eligibility for Relocation or if there is no notice, the actual move of the person.

3. When the Federal Government, working under the Comprehensive Environmental Response Compensation and Liability Act of 1980, elects to permanently relocate persons to protect public health and welfare, the initiation of negotiations means the formal announcement or advisory.
4. When the Agency acquiring the property is receiving Federal financial assistance for project costs, but not the actual acquisition, the initiation of negotiations means the execution of the written agreement between the Agency and the property owner.

4.7 **ADVISORY SERVICES** - Relocation advisory services must be offered and shall include such measures, facilities, and/or services as may be necessary or appropriate to:

1. Determine the need of displaced persons for relocation assistance.
2. Provide current and continuing information on availability, prices, and rentals of comparable replacement properties and housing. A displaced person must be advised of his or her rights under the Fair Housing Act (42 U.S.C. 3601-19) and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe and sanitary replacement dwellings not located in such areas.
3. Assure that, prior to displacement, decent, safe and sanitary comparable replacement dwellings will be available to displaced persons.
 - a. Decent, safe and sanitary are defined as meeting local housing and occupancy codes, or where those do not exist, Section 8 Existing Housing Standards. The unit must also be free of lead-based paint hazards. If the person being displaced is disabled, reasonable accommodations must be made specific to the disability.
 - b. Comparable units refer to size, condition, type of neighborhood, and access to employment, public and commercial facilities.
4. Ensure that the "decent, safe, and sanitary comparable dwelling" is affordable and available to displaced persons.
 - a. The replacement unit actually selected must be standard and it may be a better unit than the displaced unit. So, if the displacee chooses to relocate to a better unit, the Grantee should base the relocation payment on the difference between the most comparable unit and the displaced unit or ability to pay, and not on the cost of the unit that the displacee wants to move in.
 - b. Affordable means that the monthly housing costs shall not exceed 30% of the household's income with the replacement housing payments.
5. Supply information concerning Federal and State housing programs and services.

6. Provide counseling to affirmatively further fair housing. The regulations require that the Grantee make available to low income and minority families special counseling and related services, e.g., transportation services. The Grantee may secure these services through fair housing or civil rights groups.
 7. Provide other advisory services to displaced persons in order to minimize hardships.
- 4.8 **BENEFITS AS RIGHTS UNDER THE UNIFORM ACT** - The Grantee should stress that the benefits under the Uniform Act are "rights" to which the individual is entitled and that the Grantee's job is to ensure that all displacees receive the maximum amount of benefits to which they are entitled.
1. It should also be explicitly stated that there are no income or need criteria for benefits. All persons, regardless of income level, are eligible if they are relocated.
 2. Certain benefits may be prorated for unrelated individuals living together.
- 4.9 **NOTICE REQUIREMENTS** - All occupants must receive timely notices explaining whether or not they will be displaced. This applies to REHABILITATION AS WELL AS ACQUISITION projects. *Failure to issue appropriate notices in a timely fashion may result in relocation payments made where they would otherwise not have been required.*
1. The **General Information Notice** must be provided as soon as is feasible after application, and must explain that the project has been proposed, and caution the occupant not to move prematurely. Additional information should also be included in this notice.
 2. The **Move-in Notice** informs prospective tenants before moving into potential projects that they may be displaced and that they will not be entitled to assistance.
 3. A **Notice of Non-displacement** or a **Notice of Eligibility for Relocation Assistance** must be issued at the time the project agreement is executed. For a rehabilitation project, this refers to the execution of the funding agreement between the Grantee and the owner. For acquisition, this is when an agreement is executed between the purchaser and the seller.
 4. The **Temporary Relocation Notice** informs households who will be temporarily relocated of their rights and of the conditions of their temporary move.
 5. The **Notice of Eligibility** informs households to be displaced of their rights and levels of assistance under the URA.
 6. The **90 and 30 Day Notices** inform displaced households of the day by which they must vacate the property. Note that displaced households may not normally be given less than 90 days to vacate their residence. The 90 Day Notice can be incorporated into the Notice of Eligibility. The 30 Day Notice may be used in certain circumstances.

4.10 STEPS IN PROVIDING RELOCATION ASSISTANCE

1. Design and adopt the relocation assistance program guidelines which address eligibility, payments, counseling services, grievance procedures and operating procedures. They must be written in language that is understandable. If English is not the primary language of the displacee, foreign language translations must be made available.
2. Identify individuals to be relocated as soon as possible and any special considerations to special populations, i.e., minorities, the elderly, large families or persons with disabilities.
3. All notices must:
 - a. Be written in plain understandable language. If individuals do not speak English, the Grantee must make all notices available in appropriate translations;
 - b. Be hard delivered with receipt documented, or sent certified mail, return receipt requested; and
 - c. Contain the name and phone number of a person who may be contacted for answers to questions or other needed help.
4. Interview each recipient to determine his/her need for assistance. A sample interview format is provided to show the type of information that is required. During this interview, review the relocation process with the relocatees and ensure that they understand the process. Special attention should be given to:
 - a. The assistance to be provided;
 - b. The benefits available;
 - c. The fact that replacement housing payments cannot be made unless the household relocates to a standard unit;
 - d. The importance of keeping in touch with the Grantee; and
 - e. The need to notify the Grantee before they move.
5. Prepare the relocation record.
6. Determine replacement housing needs. All comparable units must be decent, safe, and sanitary, as defined above. In addition, they must be affordable.
7. Inventory available housing. The Grantee shall prepare an inventory of available housing which meets the identified needs. Please note that the regulations require that the Grantee make comparable replacement housing available to low income or minority relocatees in areas that do not have concentrations of either low or minority households, if such opportunities are available. This means that if there are vacant, standard affordable units available in middle/upper income areas or predominantly white areas of the city/county, low income or minority

relocatees must be given replacement housing choices in those areas before the Grantee can give such relocatees a 90-Day Notice to Vacate.

8. Send a "Notice of Eligibility" at initiation of negotiations.
9. If the occupant is going to be able to continue to reside in the building or in a nearby building located on the same site, the occupant must be sent a Notice of Non-Displacement.
10. Provide assistance in securing suitable units. The process of finding suitable housing will involve continuous contact with displacees to solicit information, establish rapport, provide referrals to re-housing resources, accompany displacees to inspect possible dwellings, etc.
 - a. Up-to-date information on the availability, prices, and rentals of comparable sales and rental housing must be provided.
 - b. All units must be inspected and certified as meeting code before being placed on a referral list.
 - c. The Grantee must offer transportation to displaced persons to inspect the units to which they are referred.
 - d. The Grantee must provide assistance in cases of housing discrimination. While it need not become a prosecutor, the Grantee must press displacee's claims of discrimination.
11. Complete processing claims and make payments.
 - a. If the Grantee has made a reasonable choice of suitable replacement housing opportunities available to the relocated, the Grantee may issue the 90-Day Notice to Vacate. The date on which the property must be vacated cannot be less than 30 days after the Grantee has obtained title to the property or legal right of possession, whichever comes earlier.
 - b. Payments should be issued within 30 days following the submission of sufficient documentation to support the claim.
 - c. Advance payments must be made where they would avoid or reduce a hardship. When advance payments are made, the Grantee must document that the payment was used for the purpose intended.
 - d. The Grantee should have the recipient sign a letter acknowledging receipt of relocation payments.
12. If relocation has not been completed within 6 months of the date of issuance of the Notice of Eligibility, the Grantee must document in its files the reason for the delay and a plan for timely completion.
13. If the relocation involves inhabitants of mobile homes, the Grantee should follow the procedures contained in the part of the regulations pertaining to mobile home occupants (49 CFR Part 24 Subpart F).

14. The Agency may not suggest or request a waiver of relocation assistance. If a displaced person has been advised of all relocation payments and assistance to which they are entitled and still refuses to accept some or all of the assistance, the Agency should document the refusal in writing.

4.11 PAYMENTS

1. **MOVING COSTS** - All displaced persons are eligible for moving costs. The displaced person can choose to receive either:
 - a. A fixed moving expense, based upon number of rooms in the residence. Any person displaced from a dwelling or seasonal residence, is entitled to receive an expense as an alternative to a payment for actual moving and related expenses. This allowance is determined according to the applicable schedule approved by the Federal Highway Administration.
 - b. Actual moving and related expenses, supported by bills and other documentation that cover actual moving costs for: (1) transportation of the displaced person and personal property for a distance up to 50 miles unless it is determined that relocation beyond 50 miles is justified; (2) packing and unpacking personal property; (3) disconnecting, dismantling, reassembling and reinstalling relocated household appliances and other personal property; (4) storage of the personal property for a period not to exceed 12 months unless it is determined a longer period is necessary; (5) insurance in connection with move and storage; and (6) other costs related to the move if approved by the Grantee as reasonable.
2. **REPLACEMENT HOUSING PAYMENTS UNDER THE URA** - These payments are available to owner-occupants and tenants that meet the following conditions:
 - a. A displaced 180-day owner-occupant who relocates to an ownership unit is eligible for a replacement housing payment. The payment represents the combined cost of:
 1. The cost difference between the acquisition price and the lesser of the actual unit plus purchase price and the decent, safe, and sanitary comparable replacement unit;
 2. Increased costs;
 3. Eligible incidental settlement (closing) costs; and
 4. May not exceed \$22,500.
 - b. A tenant or owner-occupant who has occupied the property for 90 days who relocates into a rental unit is eligible for a replacement housing payment. This payment takes into account several factors, including the household's ability to pay, old rent and utilities, the rent/utilities of a comparable unit, and the rent/utilities of the unit they actually rent. Ability to pay under the URA is 30% of gross monthly income. The replacement housing payment is calculated as the difference between:

the lower of the ability to pay and the old rent/utilities; and the lower of the comparable rent/utilities and the rent/utilities of the new unit they actually select. The payment may not exceed \$5,250.

- c. For households who have been in residence less than 90 days, the replacement housing payment is calculated as the difference between the ability to pay and the lower of the comparable unit rent/utilities and the actually selected unit rent/utilities.
 - 1. Both the 90 day and the less than 90 day tenant must receive their replacement housing payment in installments.
- d. A tenant who relocates to an ownership unit is eligible for a downpayment assistance payment. The downpayment assistance payment must be applied to the purchase price of the replacement dwelling and related incidental expenses. Downpayment assistance for a renter that wishes to become a homeowner is calculated in the same manner as the renter assistance payment except that there is no provision for the new unit actually selected by the household. The downpayment assistance must be paid in lump sum.
- e. While not a requirement, the program administrator may work with the local PHA to offer eligible displaced tenants a Section 8 Certificate or Housing Voucher necessary as an alternative to cash rental assistance.
 - 1. A displaced person must be informed of his or her option to choose cash or, if offered, Section 8 assistance.
 - 2. Since Section 8 assistance is adjusted periodically for increased market rents and because it is unlikely to cease at the end of 42 months, this will be a more valuable option than cash for a substantial number of lower-income tenants. The program also benefits when Section 8 assistance is used in place of a replacement housing payment.
 - 3. In the unusual case where the displacement dwelling rent/utility cost is less than the TTP, the tenant is eligible for cash to cover the gap. In the case of a Section 8 Voucher, if the rent/utility cost of the replacement dwelling (actual or comparable, whichever is less) exceeds the payment standard, the tenant will qualify for cash to cover the gap.

4.12 SPECIAL CONSIDERATIONS CONCERNING THE DENIAL OF CLAIMS

- 1. Payments for downpayment assistance must be applied to the purchase of a replacement dwelling and related incidental expenses.
- 2. Payments for rental assistance to owners or renters need not necessarily be applied to housing costs. The rental assistance payment must be made in installments. The Grantee has no right to question the use(s) of that payment so long as the household initially occupies a standard unit.

3. If a payment must be denied, the Grantee must:
 - a. Inform the claimant in writing why the claim is being denied.
 - b. Indicate what assistance is available to bring the current unit up to code (in case of a substandard unit).
 - c. Indicate the ongoing opportunity to qualify for assistance by moving into a standard unit (if the case of moving to a substandard unit is the reason for denying the claim).
 - d. Fully document its efforts to provide payments, the reasons payments were not made, and signed waivers of payment, if possible.
 - e. Fully document its initial notification and all later reminders of the requirement to submit the claim within 18 months of the move (if this is the reason for denying the claim).
4. The claim may be denied for any of the following reasons:
 - a. The unit is substandard.
 - b. The move was not completed within one year of the date of removal from the acquired dwelling or the date of receipt of final payment (if owner-occupant), whichever is later.
 - c. Or the claim was not submitted within 18 months of the move.

5. RENT BURDEN AND ECONOMIC DISPLACEMENT

- 5.1 **RENT BURDEN** - If a tenant's rent increases as a result of a federally assisted activity, and the rent is more than the tenant can afford, the tenant is "rent burdened".
 1. Rent Burden is defined differently under various HUD programs. In general, the factors considered are (1) whether the old rent went up and (2) what percentage of income the new rent and utility costs represent.
 2. The HOME program uses the 30% of gross income threshold for tenants whose incomes are above the Section 8 Lower Income Limit and the Section 8 Total Tenant Payment (TTP) as the threshold for tenants at or below the Section 8 Lower Income Limit.
 3. TTP is the greater of 30% of adjusted income or 10% of gross monthly income.
- 5.2. **ECONOMIC DISPLACEMENT** - Occupants who move because their rent went up and they could not be offered a decent, safe, and sanitary, affordable unit within the project, are "economically" displaced, and are due the same relocation considerations as an occupant who is physically displaced.

6. OPTIONAL RELOCATION ASSISTANCE

- 6.1. **TEMPORARY BUT VOLUNTARY DISPLACEMENT** - HOME funds may be used to provide relocation assistance to persons who are temporarily but voluntarily displaced. The Uniform Act does not mandate benefits to homeowners who participate in the program on a voluntary basis but may be temporarily relocated due to reconstruction of their home.
1. THDA policy allows the Grantee to cover the cost of the moving expenses and a temporary living arrangement with HOME funds.
 2. The Grantee must include the provision of equal relocation assistance within each class of displaced persons in their written Policies and Procedures, which are available for public review.
- 6.2 Although temporary relocation assistance may be provided to households who are voluntarily displaced during rehabilitation, the Grantee must determine if the lead-hazard reduction work will require relocation for the safety of the household. If it is determined that temporary relocation for occupant safety is required, the Grantee *must* provide this assistance. The cost of relocation is a project soft cost and subject to the subsidy levels. *See Chapter 8, Section 6 - Occupant Protection.*

7. BARNEY FRANK (SECTION 104(d))

- 7.1 **APPLICABILITY** - If CDBG, UDAG, or HOME funds are used as a part of the total project cost, Section 104(d) may apply to the project.
- 7.2 **SECTION 104(d)** - Section 104(d) and its implementing regulations apply to displaced low-income families, and requires one for one replacement of occupiable "low-moderate income dwelling units", including units in substandard condition which are "suitable for rehabilitation", that are demolished or converted to other use (including change in the number of bedrooms). Contact THDA if your project involves low income housing being demolished or converted. It will be necessary to comply with the conditions of THDA's HOME Residential Anti-Displacement and Relocation Assistance Plan.
1. *Low-moderate income dwelling units* are those units that do not exceed the Section 8 Fair Market Rent (FMR) limits.
 2. *Suitable for rehabilitation* may be defined by the Grantee, but includes units in any condition that have been occupied within a one year period (except by a squatter) preceding the executed contract date between the Grantee and the project owner.
- 7.3 **REPLACEMENT UNITS** - Grantees may take up to three years from the time of demolition or conversion to replace the affected units. The replacement units must be designed to remain at or below the Section 8 rent limits for ten years. In some cases, newly rehabilitated vacant units may count as replacement units.

8. GRIEVANCE PROCEDURES

8.1 **APPEALS PROCESS** - The grievance procedure must outline the appeals process contained in 49 CFR Part 24.10. These requirements include:

1. The grounds for filing an appeal
2. To whom the appeal should be filed
3. Appropriate time limits, the displaced persons right of appeal to the State, if the complaint cannot be satisfactorily resolved.

9. RECORD KEEPING REQUIREMENTS

9.1 **SEPARATE CASE FILES** - Grantees must maintain a separate case file on each displaced person for at least three years after project completion or after receipt of final relocation payment, whichever is later. Each case file must include the following:

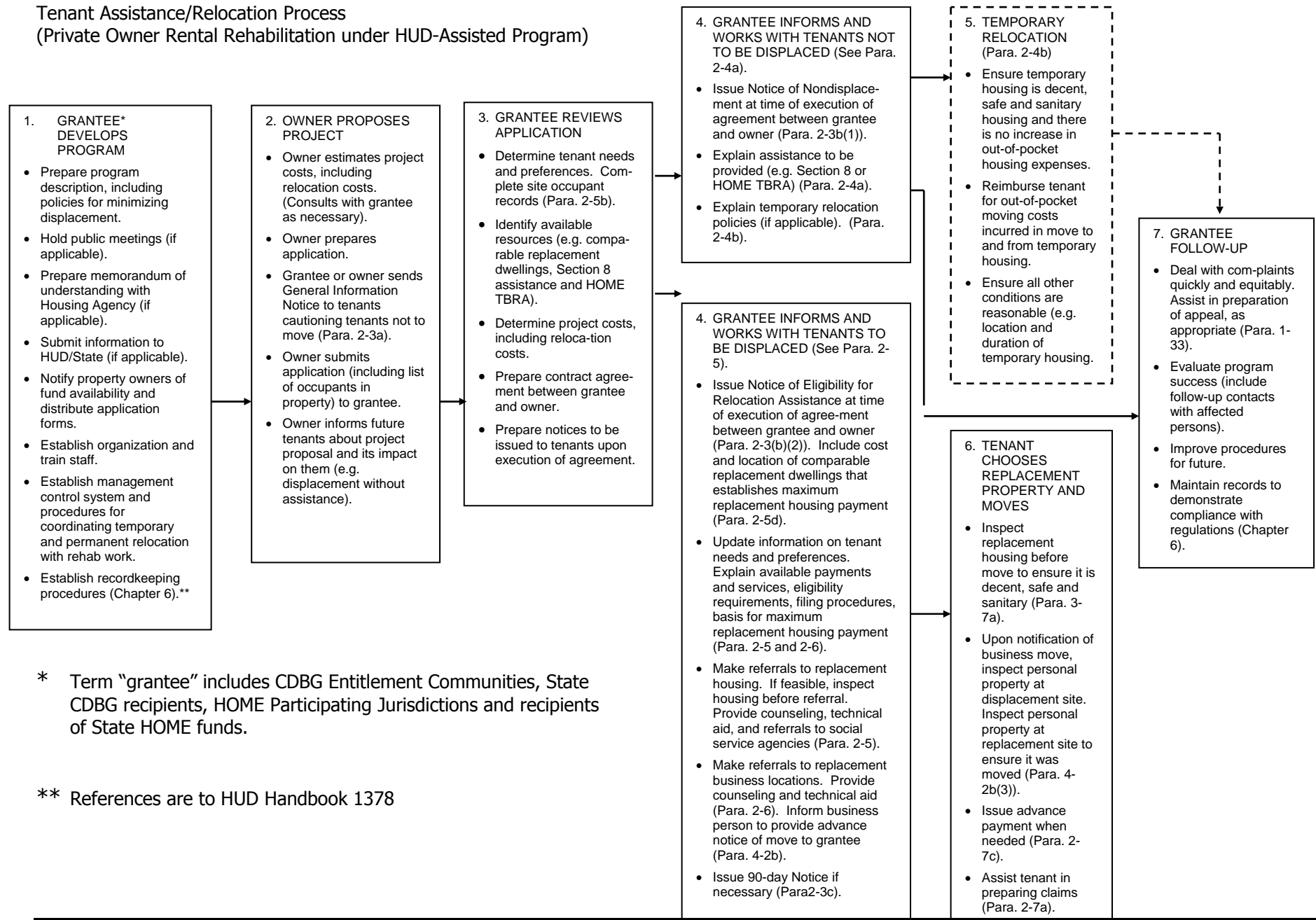
1. Record form with:
 - a. Data identifying the parcel and dwelling;
 - b. Number of individuals and family units;
 - c. Family composition (including age, sex, location of employment, source and amount of income);
 - d. Veterans status of family members;
 - e. Description of current dwelling (number and types of rooms);
 - f. Length of time of occupancy;
 - g. Amount of housing payment or rent; and
 - h. Replacement housing preferences regarding tenure type, location and willingness to increase monthly payments; and other important characteristics (health/disability programs, special needs such as furniture, public assistance, etc.).
2. Copy of a Notice of Eligibility or Non-Displacement
3. Documentation of suitable replacement housing offered to displacees
4. Copy of the 90-Day Notice
5. Record of inspection with specified information
6. Copy of the 30-Day Notice
7. Copy of each relocation claim form and supporting documentation

8. Copy of evidence of verification of the claim
9. Copy of a cancelled check or other evidence or receipt of payment
10. Evidence of receipt of all notices
11. Copies of all correspondence related to the claim
12. Copies of any appeals made and outcomes and other pertinent data, such as referral of discrimination complaints, etc.
13. A summary of the relocation

9.2 **RELOCATION MANAGEMENT CONTROL REPORT** - It is highly recommended for relocation projects which cover several cases, that a Relocation Management Control Report be maintained.

ATTACHMENT II: TENANT ASSISTANCE/RELOCATION PROCESS

Tenant Assistance/Relocation Process (Private Owner Rental Rehabilitation under HUD-Assisted Program)



* Term "grantee" includes CDBG Entitlement Communities, State CDBG recipients, HOME Participating Jurisdictions and recipients of State HOME funds.

** References are to HUD Handbook 1378

GUIDEFORM GENERAL NOTICE RESIDENTIAL TENANT THAT WILL NOT BE DISPLACED

Grantee of Agency Letterhead

(Date)

Dear _____:

On _____ *(date)*, _____ *(property owner)*, submitted an application to the _____ for financial assistance to rehabilitate the building which you occupy at _____ *(address)*.

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.

If the application is approved that Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact: _____ *(name)*, _____ *(title)*, at _____ *(phone)*, _____ *(address)*.

Sincerely,

(name and title)

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM GENERAL NOTICE RESIDENTIAL TENANT TO BE DISPLACED

Grantee of Agency Letterhead

(Date)

Dear _____:

The City of _____ is interested in acquiring the property you occupy at _____ *(address)*, for the _____ *(project)*. This notice is to inform you of your rights under Federal law. If the City acquired the property and you are displaced for the project, you will be eligible for relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. However, do not move now. This is not a notice to vacate the premises. You should continue to pay your monthly rent to your landlord because failure to pay rent and meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before you make any moving plans.

If the City acquires the property and you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house. This assistance is more fully explained in the enclosed brochure, "Relocation Assistance to Tenants Displaced from Their Homes."

If for any reason any other persons move into this unit with you after this notice, your assistance may be reduced. If you have any questions, please contact: _____ *(name)*, *(title)* _____, at _____ *(phone)*, _____ *(address)*.

Again, this is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. If the City decides not to purchase the property, you will be notified in writing.

Sincerely,

(name and title)

Enclosure

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM NOTICE OF NONDISPLACEMENT TO RESIDENTIAL TENANT

Grantee of Agency Letterhead

(Date)

Dear _____:

On (date) , we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On (date) , the owner's request was approved, and the repairs will begin soon.

This is a notice of nondisplacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment [or another suitable, decent, safe and sanitary apartment in the same building/complex] upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.
2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact: (name) , (title) , at (phone) , (address) . Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

GUIDEFORM NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE - RESIDENTIAL TENANT

Grantee of Agency Letterhead

(Date)

Dear _____:

On _____ *(date)* _____, we notified you of proposed plans to _____ *(identify project)*

On _____ *(date)* _____, the project was approved.

This is a **notice of eligibility for relocation assistance**. To carry out the project, it will be necessary for you to relocate. However, **you do not need to move now**. You will not be required to move without at least 90 days advance written notice of the date by which you must vacate. And when you do move, you will be entitled to relocation payments and other assistance in accordance with Federal regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).

The effective date of this notice is *(date of initiation of negotiations)*. You are now eligible for relocation assistance, including:

Counseling and Other Advisory Services.

Payment for Moving Expenses. You may choose either (1) a payment for your actual reasonable moving and related expenses, or (2) if you prefer, a fixed moving expense and dislocation allowance of \$ _____.

Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors, including the cost of a "comparable replacement home," the monthly rent and average cost of utility services for your present home, and 30 percent of your average gross household income.

Listed below are three "comparable replacement homes" that you may wish to consider:

ADDRESS	RENT and UTILITY COSTS	CONTACT PERSON and TELEPHONE NUMBER
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

We would be pleased to provide you with transportation to inspect these dwelling units. We believe that the unit at _____ (*address*) is the most representative of your present home. The rent and the estimated average cost of utility services for that unit is \$ _____. Based on the information you have provided about your income, you may be eligible for a rental assistance payment up to \$ _____ (42 x \$ _____). This is the maximum amount that you would be eligible to receive. It would be paid in (*indicate number of installments or lump sum*). If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than \$ _____, your rental assistance payment would be based on the actual cost of such unit.

Contact us immediately if you do not agree that these units are comparable to your home. We will explain the basis for our selecting these units. And, if necessary, we will find other units. We will not base your payment on any unit that is not a "comparable replacement home." Should you choose to buy (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a down payment of \$ _____. Let us know if you would prefer to buy a replacement home, and we will help you find such housing.

I am enclosing a brochure entitled, "Relocation Assistance to Tenants Displaced from Their Homes." Please read the brochure carefully. It explains your rights and some things you must do to obtain a payment. For example, to obtain a replacement housing payment you must move to a decent, safe and sanitary home within one year after you vacate your present home. Therefore, do not commit yourself to rent or buy a unit until we inspect it.

I want to make it clear that you are eligible for assistance to help you relocate. In addition to relocation payments and housing referrals, counseling and other services are available to you. A representative of this office will soon contact you to determine your needs and preferences. He/She will explain your rights and help you obtain the relocation payments and other assistance for which you are eligible. If you have any questions, please contact: (*name*) _____, (*title*) _____, at _____ (*phone*) _____, _____ (*address*) _____.

Remember, do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

Enclosure

NOTE: The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. This is a guideform. It should be revised to reflect the circumstances.

SCHEDULE FOR "FIXED MOVING EXPENSE AND DISLOCATION"

NEW PAYMENT SCHEDULE

On May 16, 2005, the Department of Transportation (DOT) published in the Federal Register (70 FR 25877, a payment schedule for a "fixed moving expense and dislocation allowance" in lieu of a payment for actual moving and related expenses to persons displaced from a dwelling by a project subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). The schedule covers all residential displacements occurring on or after April 2, 1989 as a direct result of rehabilitation, demolition or acquisition (privately undertaken or public) for a HUD-assisted project. The schedule implements the government-wide URA rule at 49 CFR 24.302 which applies to HUD-assisted programs.

RELOCATION OF MOBILE HOMES

The occupant of a mobile home who relocates the mobile home from the displacement site is not entitled to a fixed moving expense and dislocation allowance. Such persons are eligible for a payment for the actual cost of moving the mobile home plus the actual reasonable cost for packing, securing, moving and unpacking the personal property.

RESIDENTIAL MOVING EXPENSE AND DISLOCATION ALLOWANCE SCHEDULE UNDER 49 CFR PART 24 FOR THE STATE OF TENNESSEE

OCCUPANT OWNS FURNITURE									OCCUPANT DOES NOT OWN FURNITURE	
NUMBER OF ROOMS OF FURNITURE									FIRST ROOM	EACH ADDITIONAL ROOM
1	2	3	4	5	6	7	8	Additional Room		
\$500	\$700	\$900	\$1100	\$1300	\$1500	\$1700	\$1900	\$200	\$300	\$50

SITE OCCUPANT RECORD—RESIDENTIAL							PROJECT NAME _____			
LOCALITY/AGENCY _____							PROJECT NO. _____			
DATE OF INITIAL INTERVIEW _____ INTERVIEWER _____							RELOCATION CASE NO. _____			
							ACQUISITION PARCEL NO. _____			
NAME OF OCCUPANT _____					CHECK: <input type="checkbox"/> FAMILY <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OWNER <input type="checkbox"/> TENANT					
ADDRESS _____					DATE OF GENERAL INFORMATION NOTICE _____					
TELEPHONE NUMBER _____ CENSUS TRACT _____					EFFECTIVE DATE OF NOTICE OF ELIGIBILITY FOR _____					
DATE OCCUPANT FIRST OCCUPIED THIS DWELLING _____					RELOCATION ASSISTANCE _____ (INCLUDE COPY OF NOTICES IN CASE FILE)					
RACIAL/ETHNIC CLASSIFICATION			HOUSING COSTS AND CHARACTERISTICS OF DISPLACEMENT DWELLING							
<input type="checkbox"/> WHITE, NOT OF HISPANIC ORIGIN <input type="checkbox"/> BLACK, NOT OF HISPANIC ORIGIN <input type="checkbox"/> AMERICAN INDIAN OR ALASKAN NATIVE <input type="checkbox"/> HISPANIC <input type="checkbox"/> ASIAN OR PACIFIC ISLANDER			TENANT: MONTHLY CONTRACT RENT \$ _____ AVERAGE MONTHLY UTILITY COSTS \$ _____ MONTHLY HOUSING COST \$ _____				OWNER: MONTHLY MORTGAGE PAYMENT (P&I) \$ _____ AVERAGE MONTHLY UTILITY COSTS \$ _____ REAL PROPERTY TAXES \$ _____ MON. HOUSING COSTS \$ _____		NO. OF ROOMS _____ NO. OF BEDROOMS _____ UNIT IS: HOUSEKEEPING <input type="checkbox"/> NONHOUSEKEEPING <input type="checkbox"/>	
SURNAME, GIVEN NAME(S)	RELATIONSHIP	SEX	AGE	OCCUPATION	SOURCE OF INCOME				GROSS MONTHLY INCOME	NAME OF EMPLOYER—TELEPHONE NO.
					EMP.	WELF.	PENS.	OTHER (Identify)		
									\$	
					TOTAL GROSS MONTHLY INCOME: \$					
SPECIAL CHARACTERISTICS OF HOUSEHOLD (E.G., DISABLED, ELDERLY, ETC.)		REHOUSING PREFERENCES: PURCHASE <input type="checkbox"/> RENT <input type="checkbox"/> SUBSIDIZED HOUSING <input type="checkbox"/> NONE <input type="checkbox"/> LOCATION/NEIGHBORHOOD CONSIDERATIONS: _____ _____ PETS, GARAGE, ETC.: _____ _____							REHOUSING REQUIREMENTS: NO. OF ROOMS _____ NO. OF BEDROOMS _____ MAX. MON. HOUSING COST \$ _____ MAXIMUM PURCHASE PRICE \$ _____	

[illegible]

DATE OF MOVE _____ ADDRESS _____ CENSUS TRACT _____

<input type="checkbox"/> RENTAL	<input type="checkbox"/> PURCHASE:
MONTHLY RENT \$ _____	MORTGAGE PAYMENT (P&I) \$ _____
EST. AVERAGE	REAL PROPERTY TAXES \$ _____
MONTHLY	EST. UTILITY COSTS \$ _____
UTILITY COSTS \$ _____	TOTAL MHC \$ _____
TOTAL MHC \$ _____	SALES PRICE \$ _____

☐ D, S, & S ☐ NOT D, S, & S

DATE OF INSPECTION _____

DATE OF REINSPECTION _____

NO. OF ROOMS _____

NO. OF BEDROOMS _____

(Include copy of Inspection Report in Case File)

	MOV. EXP.	RHP
TYPE	<input type="checkbox"/> ACTUAL	<input type="checkbox"/> RENTAL
	<input type="checkbox"/> FIXED	<input type="checkbox"/> DOWNPYMT
		<input type="checkbox"/> 180-DAY HO
AMOUNT	\$ _____	\$ _____
DATE CLAIM FILED	_____	_____
DATE CLAIM PAID	_____	_____

(Include Copy of Claim Forms in Case File)

IS UNIT IN AREA OF LOW-INCOME OR
MINORITY CONCENTRATION?

☐ YES ☐ NO

IS UNIT SUBSIDIZED? ☐ YES ☐ NO

(Identify)

TEMPORARY HOUSING

DATE _____ REASON _____

[illegible]

DATE OF MOVE TO PERMANENT DWELLING _____

OUT-OF-POCKET EXPENSES PAID:

MOVING EXPENSES \$ _____

INCREASED HOUSING COST \$ _____

APPEAL FILED: ☐ YES ☐ NO

IF YES, INDICATE TYPE:

☐ PAYMENT(S)☐ HOUSING☐ OTHER _____

(Include Copy of Appeal in Case File)

RECORD OF ADVISORY ASSISTANCE AND OTHER CONTACTS

NAME OF OCCUPANT: _____

PAGE ____ OF ____

NAME OF AGENCY REP & DATE OF CONTACT	COMMENTS

Residential Claim for Moving and Related Expenses

(49 CFR 24.301 and 24.302)

See back of page for Public Reporting Burden and Privacy Act Statements before completing this form

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0016
(exp. 07/31/2008)

For Agency Use Only	Name of Agency	Project Name or Number	Case Number
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Instructions: This claim form is for the use of families and individuals applying for payment of residential moving and related expenses under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). You may be eligible to apply for either (1) a fixed payment (see 24.302), or (2) payment for actual reasonable moving costs and related expenses (see 24.301), or (3) in some cases, a payment based on a combination of moving options (contact Agency). All claims for actual expenses must be supported by receipts or other acceptable evidence. The Agency will explain the differences between the types of moving options and will help you complete this form. HUD provides information on these requirements and other guidance materials on its website at www.hud.gov/relocation. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal. All claims for payments must be filed no later than 18 months from the date of displacement (see 24.207(d)).

1. Your Name(s) (You are the Claimant(s)) and Present Mailing Address	1a. Telephone Number(s)
---	-------------------------

2. Have All Members of the Household Moved to the Same Dwelling? ☐ Yes ☐ No

(If "No," list the names of all members and the addresses to which they moved in the Remarks Section.)

Dwelling	Address (include Apartment No.)	Number of Rooms of Furniture? *	Date Occupied	Date Vacated
3. Unit That You Moved From				
4. Unit That You Moved To		* Excluding bathrooms, hallways and closets.		

5. Is This a Final Claim? ☐ Yes ☐ No

6. Certification of Legal Residency in the United States (Please read instructions below before completing this section.)

Instructions: To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. **The certification below must be completed in order to receive any relocation benefits.** (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature on this claim form constitutes certification.** See 49 CFR 24.208(g) & (h) for hardship exceptions.

Please address only the category (Individual or family) that describes your occupancy status. For item (2), please fill in the correct number of persons.

RESIDENTIAL HOUSEHOLDS

(1) Individual.

I certify that I am: (check one)

_____ a citizen or national of the United States

_____ an alien lawfully present in the United States.

(2) Family.

I certify that there are _____ persons in my household and that

_____ are citizens or nationals of the United States and _____ are aliens lawfully present in the United States.

7. Computation of Payment (See 49 CFR 24.301 and 24.302)

Instructions: You may be eligible to apply for either (1) a fixed payment (see 24.302), or (2) payment for actual and reasonable moving costs and related expenses (see 24.301), or (3) in some cases, a payment based on a combination of moving options (see 24.301(b)). The computation table in this section provides you with the ability to compute your payment based on one or a combination of moving options depending on your eligibility and your needs and desires.

A fixed payment is used to compute a payment based on the numbers of rooms of furniture within the displacement dwelling. The Residential Fixed Moving Cost Schedule available at www.hud.gov/relocation, will provide the payment amount for the state in which the displacement occurred. (Note: for persons occupying a dormitory style room or where the move is performed by the Agency at no cost to the displaced person, the payment amount is limited to the amount specified for such moves on the Fixed Moving Cost Schedule.) If you choose to claim a fixed payment, fill in the applicable schedule amount in column 7c Line (3). In some cases, persons who plans to claim only a fixed payment may also be eligible for additional moving options to move personal property located outside the dwelling and not considered in the Fixed Moving Cost Schedule (jungle gym, hot tub, etc.) or for personal property requiring specialized moving assistance within the dwelling (piano, pool table, medical equipment, etc.). In these situations you may also be eligible for a payment based on actual costs for a commercial move and/or self move for these items. Contact the Agency for further assistance. If the Agency determines you are eligible for other moving options in addition to the fixed payment, fill in all applicable claim information requested for the type(s) of moving option specified in the table.

	7a. Commercial Move (Actual Costs) (Based on lower of 2 bids)		7b. Self Move (Actual Costs) (Not to exceed cost of commercial move)		7c. Self Move (Fixed Schedule) (See 49 CFR 24.302)	
	Claimant	Agency Use	Claimant	Agency Use	Claimant	Agency Use
(1) Moving Cost Expenses (49 CFR 24.301(g)(1-7); see page 2) (Do not include storage costs listed separately below). [For Mobile Home Owner Occupants also include 24.301(g)(8-10), if applicable.]						
(2) Storage Cost (Requires prior agency approval) (Not to exceed 12 months)						
(3) Fixed Moving Cost Schedule Amount (Based on number of rooms of furniture in Item 3). For amount see Moving Cost Schedule available at www.hud.gov/relocation .						
(4) Other (Explain in Remarks Section)						
(5) Total Amount of Claim.						
(6) Amount Previously Received, if any.						
(7) Amount Requested (Subtract line (6) from line (5))						
(8) Total Amount Requested - Combination Moves Only (add applicable columns 7(a)(7), 7(b)(7) and 7(c)(7))						

Previous versions obsolete.

8. **Certification By Claimant(s):** I certify that this claim and supporting information are true and complete and that I have not been paid for these expenses by any other source. I ask that the amount on line (7) of Item 7 or line (8) of Item 7 for combination moves be paid to ☐ me ☐ the contractor(s) (as specified in the Remarks Section).

Signature(s) of Claimant(s) & Date:

X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

To Be Completed by the Agency

Payment Action	Amount of Payment	Signature	Name (Type or Print)	Date (mm/dd/yyyy)
9. Recommended	\$			
10. Approved	\$			

Remarks (Attach additional sheets, if necessary)

Additional sheets attached? ☐ Yes ☐ No

Eligible Actual Residential Moving Expenses (49 CFR 24.301(g)(1-10))

- (1) Transportation of the displaced person and personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified.
- (2) Packing, crating, unpacking, and uncrating of the personal property.
- (3) Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property. For businesses, farms or nonprofit organizations this includes machinery, equipment, substitute personal property, and connections to utilities available within the building; it also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.
- (4) Storage of the personal property for a period not to exceed 12 months, unless the Agency determines that a longer period is necessary.
- (5) Insurance for the replacement value of the property in connection with the move and necessary storage.
- (6) The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- (7) Other moving-related expenses that are not listed as ineligible under § 24.301(h), as the Agency determines to be reasonable and necessary.
- (8) The reasonable cost of disassembling, moving, and reassembling any appurtenances attached to a mobile home, such as porches, decks, skirting, and awnings, which were not acquired, anchoring of the unit, and utility "hookup" charges.
- (9) The reasonable cost of repairs and/or modifications so that a mobile home can be moved and/or made decent, safe, and sanitary.
- (10) The cost of a nonrefundable mobile home park entrance fee, to the extent it does not exceed the fee at a comparable mobile home park, if the person is displaced from a mobile home park or the Agency determines that payment of the fee is necessary to effect relocation.

Public reporting burden for this collection of information is estimated to average 30 minutes per response. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining whether you are eligible to receive a payment for moving and related expenses and the amount of any payment. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a payment for moving and related expenses. You are not required by law to furnish this information, but if you do not provide it, you may not receive any payment for these expenses or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The information may be made available to a Federal agency for review.

Selection of Most Representative Comparable Replacement Dwelling for Computing a Replacement Housing Payment

**U.S. Department of Housing
and Urban Development**
Office of of Community Planning
and Development

OMB Approval No. 2506-0016
(exp. 07/31/2008)

1. Agency	2. Project	3. Household	4. Select One <input type="checkbox"/> Owner <input type="checkbox"/> Tenant	5. Case Number
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Public reporting burden for this collection of information is estimated to average 1.0 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining the most comparable and available replacement housing and its cost to be used by Agencies in computing a replacement housing payment for displaced persons. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a payment to help you rent or buy a new home. You are not required by law to furnish this information, but if you do not provide it, you may not receive any payment for these expenses or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The information may be made available to a Federal agency for review.

Factors (see back of page)	Displacement Dwelling	Comparable No.1	Comparable No.2	Comparable No.3
Address				
Type of Unit				
Stories / Style				
Lot Size				
Type of Construction				
Age (in years)				
Condition				
Area of Living Space (sq. ft.)				
No. Rooms/Bedrooms /Baths	/ /	/ /	/ /	/ /
Basement				
Parking/No. of Cars				
Type of Heating /Fuel	/	/	/	/
Type of Air Conditioning				
Neighborhood				
Transportation (distance)				
Current Work (distance)				
High School/Grade School (distance)	/	/	/	/
Neighborhood Shopping (distance)				
Religious Facility (distance)				
Sale Price or Rent/Utility Costs	\$	\$	\$	\$
Other				
Date of Inspection				
Date Available				
Most Representative Comparable Replacement Dwelling (Check "Comparable no.1, 2, or 3" and complete Comments)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments: Include appropriate analysis and correlation of data. If Agency makes adjustment to the asking price for a comparable replacement dwelling to reflect the anticipated sale price, indicate the basis for the adjustment. For rental units, indicate utilities included in rent and provide estimates for other utility costs. Indicate availability of any housing subsidy. If condominium or cooperative, indicate required fees. (Continue on back of page)

Comments continued on back of page ☐ Yes ☐ No

Prepared By	Date (mm/dd/yyyy)	Approved by	Date (mm/dd/yyyy)
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Comments Continued:

Comments continued on a separate page ☐ Yes ☐ No

Factors	Examples
Type of Unit	Detached, Row, End Row, Townhouse, Highrise Apartment, Mobile Home (Indicate whether this is subsidized housing)
Stories	1, 1 1/2, 2, 2 1/2, Split Level, Split Foyer
Style	Colonial, Cape, Ranch, Contemporary, Tudor, Mediterranean
Type of Construction	Frame, Masonry, Pre-Fab, Stone, Concrete Block, Concrete, Veneer (wood, brick, or aluminum siding)
Condition	Poor, Fair, Good, Very Good, Excellent
Basement	Full, Partial (1/2), None; Finished or Unfinished
Parking	Attached, Built-In, Detached, Carport Paved Open Area, Unpaved Open Area, None
Type of Heating	Forced Air, Hot Water, Electric, Heat Pump, Steam, Space Heater, Solar, None
Type of Fuel	Natural Gas, Propane Gas, Oil, Electric, Coal, Solar
Type of Air Conditioning	Central, Wall, Window, None
Neighborhood	Poor, Fair, Good, Very Good, Excellent. (Based on characteristics such as vacancy levels, quality and maintenance of dwellings, landscaping, Street Maintenance, Trash Pickup, and Nonconforming land uses)
Other	Swimming Pool, Fireplace, Patio, Porch, Greenhouse

Claim for Rental Assistance or Down Payment Assistance (49 CFR 24.402 and 24.401(f))

See back of page for Public Reporting Burden and
Privacy Act Statements before completing this form

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

OMB Approval No. 2506-0016
(exp. 07/31/2008)

For Agency Use Only	Name of Agency	Project Name or Number	Case Number
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Instructions: This claim form is for the use of families and individuals applying for rental or down payment assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and may also be used by a 180-day homeowner-occupant who chooses to rent rather than buy a replacement home. The Agency will help you complete the form. HUD also provides information on these requirements and other guidance materials on its website at www.hud.gov/relocation. If the full amount of your claim is not approved, the Agency will provide you with a written explanation of the reason. If you are not satisfied with the Agency's determination, you may appeal that determination. The Agency will explain how to make an appeal.

Displaced persons must rent/purchase and occupy a decent, safe and sanitary replacement dwelling within one year from the date of displacement for replacement housing payment eligibility (see 24.402(a)(2)). All claims for payments must be filed no later than 18 months from the date of displacement (see 24.207(d)).

1a. Your Name(s) (You are the Claimant(s)) and Present Mailing Address	1b. Telephone Number(s)
--	-------------------------

2a. Have all members of the household moved to the same dwelling? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No", list the names of all members and the addresses to which they moved in the Remarks Section.)	2b. Do you (or will you) receive a Federal, State, or local housing program subsidy at the dwelling you moved to? <input type="checkbox"/> Yes <input type="checkbox"/> No
--	--

Dwelling	Address	When Did You Rent/Buy This Unit?	When Did You Move To This Unit?	When Did You Move Out of This Unit?
3. Unit That You Moved From				
4. Unit That You Moved To				

5. Certification of Legal Residency in the United States (Please read instructions below before completing this section.)

Instructions: To qualify for relocation advisory services or relocation payments authorized by the Uniform Relocation Assistance and Real Property Acquisition Policies Act, a "displaced person" must be a United States citizen or national, or an alien lawfully present in the United States. **The certification below must be completed in order to receive any relocation benefits.** (This certification may not have any standing with regard to applicable State laws providing relocation benefits.) **Your signature on this claim form constitutes certification.** See 49 CFR 24.208(g) & (h) for hardship exceptions.

Please address only the category (Individual or family) that describes your occupancy status. For item (2), please fill in the correct number of persons.

RESIDENTIAL HOUSEHOLDS

(1) Individual.

I certify that I am: (check one)
☐ a citizen or national of the United States
☐ an alien lawfully present in the United States.

(2) Family.

I certify that there are _____ persons in my household and that
 _____ are citizens or nationals of the United States and _____ are aliens lawfully present in the United States.

6. Determination of Person's Financial Means (Not applicable to 180-day homeowner-occupants who choose to rent. Enter NA in Item 6(6).)		Household Income	
		Claimant (a)	For Agency Use Only (b)
(1) Total number of persons in the household (See item 5(1) or (2))			
(2) Annual Gross Household Income. (49 CFR 24.2(a)(14)). Enter name of each household member with income (include the income of persons not lawfully present in the U.S.)		\$	\$
(3) Total Gross Annual Income (Sum of entries in item 6(2))		\$	\$
(4) URA low income limit for number of persons in item 6(1). Stop here if item 6(3) is greater than item 6(4) - Family is not low-income. See 49 CFR 24.402 (b)(2)(ii)			\$
(5) Gross Monthly Income (Divide item 6(3) by 12)		\$	\$
(6) 30% of item 6(5) (Enter this amount in item 8(5) only if gross annual income item 6(3) is less than or equal to URA low income limit in item 6(4), otherwise enter "NA".)		\$	\$

7. Determination of Rent and Average Monthly Utility Costs (See 49 CFR 24.402(b))

Instructions: To compute the payment, entries on line (8) must reflect all utility services. Therefore, identify on lines (2) through (5) each utility necessary to provide electricity, gas, other heating/cooking fuels, water and sewer. In those cases where the utility service is not covered by the monthly rent, indicate the estimated out-of-pocket monthly cost. In those cases where the utility service is covered by the monthly rent, enter "IMR" (In Monthly Rent). Determine the estimated average monthly cost of a utility service by dividing the reasonable estimated yearly cost by 12. If a monthly housing program subsidy (e.g., Housing Choice Voucher/Section 8, other) has been provided, enter the applicable amount on line (7).

Monthly Cost	Unit That You Moved From (For Homeowner-Occupant, rent will be determined by the agency.)		Unit That You Moved To (Do not complete if claim is for down payment assistance.)		Comparable Replacement Dwelling
	(a) Claimant	(b) For Agency Use Only	(c) Claimant	(d) For Agency Use Only	(e) To Be Provided By Agency
(1) Rent (The monthly rental amount due under the terms and conditions of occupancy. If utilities are not included in rent, list in item 7(2) to (5))	\$	\$	\$	\$	\$
(2)					
(3)					
(4)					
(5)					
(6) Gross Monthly Rent and Utility Costs (add item 7(1) through (5))	\$	\$	\$	\$	\$
(7) Monthly Housing Subsidy, if applicable (e.g., Housing Choice Voucher/Section 8, other)	\$	\$	\$	\$	\$
(8) Net Monthly Rent and Utility Costs (subtract item 7(7) from item 7(6)) (Enter these amounts on the appropriate lines in Item 8.)	\$	\$	\$	\$	\$

8. Computation of Payment: If you are filing for down payment assistance, check this box <input type="checkbox"/> and skip item 8(1).		To Be Completed By Claimant (a)	For Agency Use Only (b)
(1) Monthly Rent and Average Monthly Utility Costs for Unit That You Moved To (From item 7(8), Column (c))		\$	\$
(2) Monthly Rent and Average Monthly Utility Costs for Comparable Replacement Dwelling (From item 7(8), Column (e)) (To be provided by the Agency)			
(3) Lesser of item 8(1) or (2) (If claim is for down payment assistance, enter amount from item 8(2))			
(4) Monthly Rent and Average Monthly Utility Costs for Unit That You Moved From (From item 7(8), Column (a)) (For Homeowner-Occupants who choose to rent, to be determined by the agency.)			
(5) 30% of Average Gross Monthly Household Income (From item 6(6), Column (a)). If item 6(6) is "NA", enter "NA" here.			
(6) Lesser of item 8(4) or 8(5)			
(7) Monthly Need (Subtract item 8(6) from item 8(3))			
(8) Amount of Payment Claim (Amount on item 8(7) multiplied by 42) (For a Homeowner-Occupant who elects to rent, this amount cannot exceed the difference between the acquisition cost of the displacement dwelling and the cost of a comparable replacement dwelling. See form HUD-40057, item 5(5).)		\$	\$
(9) Amount Previously Received (if any)			
(10) Amount Requested (Subtract item 8(9) from 8(8))		\$	\$

9. **Certification By Claimant(s):** I certify that the information on this claim form and supporting documentation is true and complete and that I have not been paid for these expenses by any other source.

Signature(s) of Claimant(s) & Date

X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

To be Completed by the Agency	10. Effective date (mm/dd/yyyy) of eligibility for relocation assistance	11. Date (mm/dd/yyyy) replacement dwelling inspected and found decent, safe and sanitary	12. Date(mm/dd/yyyy) person occupied replacement dwelling
	13. Payment To Be Made In: <input type="checkbox"/> Lump Sum <input type="checkbox"/> Monthly Installments <input type="checkbox"/> Other Installments (only for down payment assistance) (specify in the Remarks Section)		
Payment Action	Amount of Payment	Signature	Name (Type or Print)
14. Recommended	\$		
15. Approved	\$		

Remarks

Remarks continued on a separate page? ☐ Yes ☐ No

Public reporting burden for this collection of information is estimated to average 1.0 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and implementing regulations at 49 CFR Part 24 and will be used for determining whether you are eligible to receive a payment to help you rent or buy a new home and the amount of any payment. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is needed to determine whether you are eligible to receive a payment to help you rent or buy a new home. You are not required by law to furnish this information, but if you do not provide it, you may not receive this payment or it may take longer to pay you. This information is being collected under the authority of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), and implementing regulations at 49 CFR Part 24. The information may be made available to a Federal agency for review.

PROJECT NAME AND NUMBER _____ STATUS AS OF _____

*** Representative comparable to be used as basis for determining maximum Replacement Housing Payment.

SAMPLE GRIEVANCE PROCEDURE

I. GROUNDS

You have the right to appeal any action of _____ on the following grounds:

1. Failure to properly determine your eligibility for, or the amount of, a relocation or other payment due you under the Uniform Act;
2. Refusal to waive the time limit for filing a claim or the one-year purchase and occupancy requirement;
3. Failure to properly inspect the replacement dwelling; and
4. Failure to comply with a requirement of 24 CFR 42.209 (Availability of Comparable Replacement Dwelling Prior to Displacement).

Your acceptance of the amount offered you by _____ does not limit your right to appeal _____'s determination and seek a larger payment.

II. METHODS AND TIME LIMITS FOR INITIATING AN APPEAL

If your appeal concerns your eligibility for, or the amount of, payment, you must file your appeal within 6 months after _____ notifies you of its determination on your claim.

If your appeal concerns an alleged failure to provide appropriate housing referrals or to properly inspect the replacement dwelling or to comply with 24 CFR 42.209 (Availability of Comparable Replacement Dwellings Prior to Displacement), you must file your appeal within 6 months after (a) your permanent move from your home or apartment; or (b) the end of the four-year occupancy period, whichever comes first.

If your appeal concerns _____'s refusal to waive the one-year purchase and occupancy requirement, your appeal must be filed within 30 days after the refusal.

If you have any questions concerning these procedures, do not hesitate to contact:

Relocation Officer: _____
 Agency: _____
 Address: _____
 Telephone: _____

 Occupant's Signature

 Agency Representative

 Occupant's Address

 Date

GUIDEFORM NOTICE TO PROSPECTIVE TENANT

Grantee of Agency Letterhead

(Date)

Dear _____:

On (date) , (property owner) submitted an application to the (Grantee) , for financial assistance to [acquire] [rehabilitate] [demolish] [convert] the building located at (address) . Because Federal funds are being used in this project, the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1979, as amended (URA) applies for tenants in residence at the time of application. However, as a new tenant, you will not be eligible for relocation benefits under URA.

This notice is to inform you of the following information **before you enter into any lease agreement and occupy a unit at the above address:**

- ◆ You may be displaced by the project.
- ◆ You may be required to relocate temporarily.
- ◆ You may be subject to a rent increase.
- ◆ You will not be entitled to any relocation benefits provided under the URA. If you have to move or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with a move as a result of the project.

Please read this notification carefully prior to signing a rental agreement and moving into the project. If you should have any questions about this notice, please contact (Grantee) , at (address and telephone number) . Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

 (name and title)

CHAPTER FIVE

ACQUISITION

1. OVERVIEW

1.1. **UNIFORM ACT** - The acquisition, rehabilitation or demolition of any real property associated with a HOME-funded project must follow the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sect. 4601 et seq.), hereafter called the "Uniform Act" or "URA", and the HUD implementing regulations (49 CFR Part 24).

1. The Uniform Act applies:
 - a. Regardless of whether the actual acquisition is being paid from local or HOME dollars;
 - b. To any acquisition which takes place on or after the date of submission of a HOME application to fund an activity on that property unless the Grantee shows that the acquisition was clearly unrelated to the proposed HOME funded activity; and
 - c. Any acquisition that took place before the date of submission of the application can be subject to the Uniform Act if that acquisition was intended to support a later HOME activity.
2. All Grantees must either establish that they own the real property necessary for their project, or they will need to acquire that property by following specific federally mandated procedures. The term "property" when used in this context refers to any kind of permanent interest in real property: fee title, permanent easements, long-term leases (50 year or more), and rights of way.
3. Before starting acquisition activities, Grantees should review HUD Handbook 1378 to obtain a better idea of the process, individual procedures to be followed, and recordkeeping requirements.
4. Grantees should not assume that acquisition is not required until all city or county records have been searched. The results of this search must be documented in the Real Property Acquisition file.

2. METHODS OF ACQUISITION

2.1. The Uniform Act has four (4) methods of acquiring real property. These are:

1. Voluntary
2. From another Public Agency
3. Donation

4. Uniform Act Acquisition
- 2.2. The first two methods are exempt from the Uniform Act, but the Grantee must maintain adequate documentation to show that the acquisition conforms to the appropriate definitions.

3. VOLUNTARY ACQUISITION

- 3.1 *To comply with the URA and carry out cost-effective programs, it is strongly recommended that acquisition under HOME be limited to arms-length, voluntary transactions.*
- 3.2. Voluntary acquisition may be the most expeditious method available to a Grantee when a property is needed for a project activity that is not site-specific. Projects that require particular sites by their very nature preclude the use of this method of acquisition.
- 3.3 Voluntary acquisition must meet **ALL** of the following conditions:
 1. No specific site needs to be acquired -- the search may be limited to a general geographic area;
 2. The property being acquired is not part of a project area where all or substantially all of the property will be acquired; and
 3. The Grantee will not acquire (by condemnation) if negotiations fail and informs the owner of this. The seller must be told in writing that the Grantee will not take the property by eminent domain. The Grantee must also include an estimate of the property's fair market value in this notice to the seller. This notice will be included as part of the purchase offer and contract of sale which serves as an Addendum to Sales Contract. (See AQ-1). Tenants must be informed of potential relocation eligibility upon initiation of negotiation.
- 3.4 To acquire property by voluntary acquisition, the Grantee should advertise/solicit sites for the particular project, for instance using a real estate agent's multiple listing service to identify sites. A general geographic location (e.g., the north side of town) can be included.
- 3.5 A formal appraisal which is independent and unbiased is required.

4. ACQUISITION FROM ANOTHER PUBLIC AGENCY

- 4.1 Acquisition between governmental/public agencies is exempt from the Uniform Act, if the acquiring agency does not have condemnation authority over the other agency. The Grantee is simply responsible for documenting that it does not have condemnation authority, and it may then negotiate with the agency from which the property, easement or right of way is needed.

5. DONATIONS

5.1. Donations are a common way that many Grantees acquire property. To be considered a voluntary sale, the Grantee must:

1. Inform the owner (in writing) of his right to receive just compensation under the Uniform Relocation Act (URA) based on an appraisal of the real property. The owner must waive these rights in a written consent document; and
2. Assure that an appraisal is obtained unless the owner releases them from such obligation (in writing).

5.2. PROCEDURES FOR ACQUISITION BY DONATION

1. Grantees must send donating owners a statement that the Grantee is required by law to offer just compensation to the owner based on an appraisal of the real property which establishes fair market value.
2. Provision must be made for a response from the property owner. It should be equally easy to respond either positively or negatively. They may also provide the opportunity for the owner to release the Grantee from its responsibility for an appraisal.
3. The property owner then signs the consent agreement. (See AQ-2).

6. REGULAR UNIFORM ACT ACQUISITION

6.1 BASIC ACQUISITION REQUIREMENTS OF THE UNIFORM ACT:

1. Appraise the real property, inviting the owner to accompany the appraiser, except when:
 - a. The owner is donating the property and releases the locality from the obligation to appraise the property.
 - b. The acquisition is simple and to the best knowledge available to the Grantee, the fair market value is less than \$2,500. The basis for this determination must be well documented.
2. Establish just compensation for property in an amount not less than appraised fair market value. For tenant-owned improvements, just compensation shall be the greater of:
 - a. The contributory (enhancement) value of the improvement; or
 - b. Its salvage value.
3. Review the appraisal at the local level to determine the adequacy and soundness of the appraiser's opinion of fair market value.

4. Offer just compensation for property in writing before initiating negotiations. Include summary statement of basis for determination of just compensation.
5. Make reasonable efforts to acquire property expeditiously by negotiation. Do not take any coercive action to induce an agreement on the purchase price.
6. Do not require the transfer of possession of property until compensation is made available to owner.
7. Pay all costs incidental to the acquisition, including recording fees, mortgage prepayment penalties and prepaid property taxes.
8. If occupant is permitted to remain on the property on a short-term basis after acquisition, the rent shall not exceed the fair market rent for such occupancy.
9. If tenants occupy the property, they must be informed of potential relocation eligibility upon initiation of negotiation.

6.2 PROCEDURES

1. *Notify all property owners* as soon as possible of the Grantee interest in acquiring the property and the owner's basis rights (See AQ-3). A brochure "When a Public Agency Acquires Your Property" (AQ-4) has been published by HUD in Spanish and English editions. Copies of this publication are available from THDA.
2. *Determine if an appraisal is needed.* This determination must be based on whether the two exceptions mentioned in A.1 apply. If there is no need for an appraisal, then proceed with step 5.
3. *Obtain an unbiased and independent appraisal.*
 - a. An independent appraiser must be selected.
 - i. The Grantee shall establish criteria for appraiser qualifications, assuring that they are consistent with the level of difficulty of the appraisal assignment and the Uniform Standards of Appraisal Practice. If the Grantee uses a contract appraiser, he or she must be State licensed or certified in accordance with the title XI of the Financial
 - ii. No appraiser (or review appraiser) shall have any direct or indirect interest in the property to be appraised.
 - iii. No one may act as a negotiator for real property that he has appraised if the value of the property exceeds \$2,000.
 - b. A minimum of one appraisal is required. However, if the project is potentially controversial (e.g., as with an unwilling seller) or where property values are high, it is recommended that two independent appraisals be conducted.
 - c. The Grantee or the appraiser selected must formally invite the property owner to accompany the appraiser during the inspection of the property

prior to the appraisal. This notice should be in writing and a copy placed in the property acquisition file. (See AQ-5).

- d. Appraisals that are detailed and consistent with established, commonly accepted practices shall be prepared for all acquisitions except for those which, by virtue of their low value and/or simplicity, do not require an in-depth analysis. Nationally recognized appraisal standards shall be used, including the Uniform Appraisal Standards for Federal Land Acquisition to the extent feasible. Minimum requirements for an appraisal as listed at Section 24.103(a)(1)-(6) of the HUD implementing regulations.

4. *Have the appraisal reviewed.*

- a. This review must be conducted by a qualified review appraiser with no direct or indirect interest in the property who will assure that the appraisal meets applicable requirements and seek corrections or revisions to the appraisal as necessary. The review appraiser cannot be the same person who appraised the property.
- b. The review appraiser may develop appraisal documentation (in accordance with HUD regulations) to support a recommended value IF he is unable to approve the appraisal submitted as an adequate basis for establishing just compensation, AND, it is not practical to obtain an additional appraisal.
- c. The review appraiser shall set forth in a signed statement a certification of the recommended value of the property that identifies appraisal reports reviewed and explains the basis for the recommended value. If there are damages or benefits to any remaining property, these shall also be identified.

5. *Establish and Offer Just Compensation.* This amount cannot be less than the review appraiser's recommended fair market value, and is usually the same. A prompt, written offer to acquire for this amount (AQ-6) must then be sent to the owner. A written "Statement of Basis for Just Compensation" (AQ-7) must accompany this offer.

6. *Negotiate with the owner, or his representative.*

- a. Discuss the offer and acquisition policies and procedures including the payment of incidental expenses as provided for in Section 24.106 of the HUD implementing regulations.
- b. Give the owner an opportunity to evaluate the offer and, if he chooses, to present any material that he feels is relevant and/or make a counter-offer.
- c. Consider any counter-offer and either accept it, obtain a new appraisal (usually only recommended if significant time has passed since the original appraisal), institute condemnation proceedings, or decide not to acquire the property.

- d. Maintain full documentation of negotiation proceedings in the project acquisition file.
 - i. NOTE: Condemnation can be substantially more expensive than negotiation, particularly if the property owner is an elderly or infirm individual to whom juries tend to be very generous. The Grantee is required to pay the amount established by the court. It is advisable to try to avoid condemnation and secure a successful acquisition by negotiation when at all possible.
- 7. *Prepare, execute and record the contract of sale.* Before taking possession of the property, the Grantee must pay the agreed-upon purchase price to the owner. (See AQ-8). The only exception is in circumstances when the owner has granted a right-of-entry for construction purposes. The Grantee shall pay what it deems "fair and reasonable" incidental costs associated with the transfer of title (i.e., recording fees, transfer taxes, penalty costs or other charges for prepayment of any pre-existing recorded mortgages, etc.), or reimburse the owner for same.
- 8. At the conclusion of settlement, the Grantee must provide the owner with a Statement of Settlement Costs (AQ-9) that identifies all settlement costs regardless of whether they are paid at, before, or after closing, and must clearly separate charges paid by the owner. The Statement of Settlement Costs must be dated and certified as true and correct by the person handling the transaction. A receipt for purchase price must be secured by the Contractor locality. All title/deed transfer documents must also be on file.
- 9. *If the local entity decides not to acquire* the property, it must notify the owner and all tenants in writing by registered mail, return receipt requested, of its intention not to acquire the property and that any person moving from the property thereafter will not be eligible for relocation payments and assistance. This notice must be sent within 10 days of the Grantee's determination not to acquire. (See AQ-10).

7. ACQUISITION AND LEAD-BASED PAINT REGULATIONS

- 7.1 **ACQUISITION WITHOUT REHABILITATION** - Prior to the closing, the following steps must be followed for the acquisition of a vacant unit:
 - 1. A visual inspection must be conducted to identify any deteriorated paint.
 - 2. Deteriorated paint must be tested or presumed to be lead-based paint.
 - 3. Deteriorated paint must be stabilized.
 - 4. The unit must undergo clearance testing after paint stabilization. Clearance must be achieved prior to occupancy.
 - 5. A copy of the clearance form (LBP-6) must accompany the draw request for acquisition funds.

6. If the unit is occupied at the time of acquisition, the above steps must be followed immediately after closing.
- 7.2 If the property being acquired is rental property, an on-going maintenance plan must be established to protect tenants from lead-based paint hazards.
- 7.3 **ACQUISITION WITH REHABILITATION** - See *Chapter 8: Lead-Based Paint, Section 3 - Requirements for Rehabilitation Assistance (Subpart J)*.

8 RECORD KEEPING REQUIREMENTS

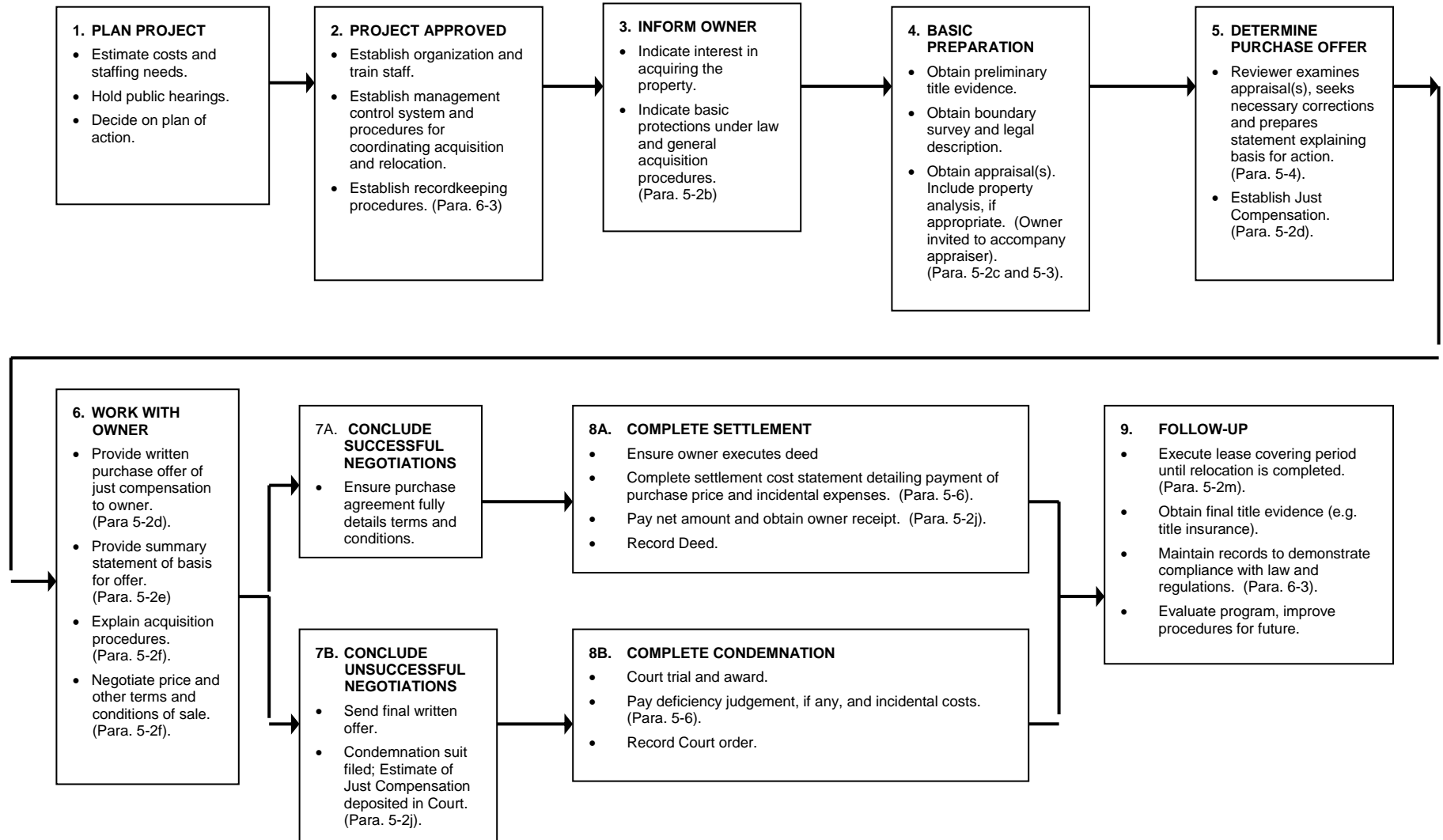
- 8.1 The following documentation must be kept for each property, easement or rights-of-way acquired:
 1. Identification of property and property owner(s).
 2. Evidence owner was informed on a timely basis about acquisition and his or her rights.
 3. Copy of each appraisal report, including the review appraiser's report, and evidence that the owner was invited to accompany each appraiser on appraiser's inspection of property.
 4. Copy of written purchase offer and summary statement of the basis for the determination of just compensation and date of delivery to owner.
 5. Copy of purchase contract and document(s) conveying property.
 6. Copy of settlement statement and evidence that owner received net proceeds due from sale.
 7. Copy of any appeal or complaint filed and response.
 8. NOTE: All notices to the owners and/or tenants should be either sent return receipt requested, or hand delivered and a signed receipt of delivery maintained.

9 REPORTING REQUIREMENTS

- 9.1 The Grantee must complete the Report on Real Property Acquisition Activities (AQ-11). This report should be sent to THDA directly after completion of real property acquisition activities that were paid for with HOME funds. This must occur prior to start of construction.

ATTACHMENT III:

ACQUISITION PROCESS UNDER URA*



*UNIFORM RELOCATION ACT RULES EFFECTIVE 4/2/89 (HUD HANDBOOK 1378)

ADDENDUM TO CONTRACT

ADDENDUM # _____ DATED: _____

ORIGINAL CONTRACT DATED ____/____/____/ FOR PURCHASE OF THE PROPERTY
LOCATED AT: _____ BETWEEN THE FOLLOWING
PARTIES:

BUYER:

SELLER:

DATE BUYER INITIATED THIS CONTRACT ADDENDUM # ____ IS _____

BUYER'S SIGNATURE INITIATING THIS ADDENDUM

I, _____ (the Buyer), am seeking federal funds through
the HOME program to assist me in acquiring your property. Please be informed of the following:

1. I _____, do not have the right of eminent domain and,
therefore, will not acquire the property that you (the Seller) have offered for sale if negotiations fail
to result in an amicable agreement; and
2. The property you (the Seller) have for sale is estimated to have a fair market value of
\$_____.
3. Even though federal funds will be used in the acquisition of your property, you (the Seller) **WILL
NOT** be entitled to any relocation benefits

I understand that I, _____ (the Seller), having reviewed this
Contract Addendum # _____, have the right to accept or not accept this Contract Addendum #

ACCEPTANCE:

I understand the above comments in this Contract Addendum # _____ and wish to accept this
Addendum # _____ to the contract. I do not wish to terminate the contract dated ____/____/____
between myself (the Seller) and _____ (the Buyer).

Seller's Signature of Acceptance

Date of
Acceptance: _____

TERMINATION:

I understand the above comments in this Contract Addendum and do not wish to accept this Addendum
_____ to the contract. I wish to terminate the contract dated _____ between myself
(the Seller) and _____ (the Buyer).

Seller's Signature of Termination

Date of
Termination: _____

WAIVER OF RIGHTS AND BENEFITS OF THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES OF 1970 (42 U.S.C. 4601)

WHEREAS, _____ has received HOME funds from the Tennessee Housing Development Agency; and

WHEREAS, one of the conditions imposed upon the use of such funds is compliance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601), hereinafter referred to as the Uniform Act, and the regulations pursuant thereto at 24 CFR Part 42; and

WHEREAS, nothing in the Uniform Act or regulations prevents a person, after being informed of the right to receive just compensation, from making a gift or donation of real property or any interest therein to the City/County/Non-Profit Organization, and that the landowner will be assured that property disturbed during construction will be put back or replaced in as good or as reasonably good condition than before; and

WHEREAS, as to the property specifically described as follows:

I hereby elect to donate the above described property and thereby waive any rights and benefits potentially accruing to me under the Uniform Act.

NOW, THEREFORE, let it be known that by my signature hereon, I freely and without duress waive any and all rights accruing to me under the Uniform Act. Specifically, I hereby release _____ from the obligation to obtain an appraisal of the above described property prior to my donating a (FEE SIMPLE or EASEMENT) interest in said property.

Acquiring Official

Property Owner

Date

PRELIMINARY ACQUISITION NOTICE*

This is to formally notify you of our intent in acquiring certain property which you own located at:

LOCATION OF PROPERTY TO BE ACQUIRED)

We are interested in purchasing the property you own to:

(BRIEF DESCRIPTION OF THE PROJECT)

THIS NOTICE IS PRELIMINARY IN NATURE AND IS NOT A NOTICE TO VACATE. IT DOES NOT ESTABLISH ELIGIBILITY FOR RELOCATION PAYMENTS OR OTHER RELOCATION ASSISTANCE. To help explain the acquisition procedures, we are enclosing a copy of the booklet, "When A Public Agency Acquires Your Property".

You may donate this property or an easement interest in this property if you so desire.

If you have any questions before this office can contact you again, please call (*NAME OF PERSON TO CONTACT AT AGENCY*), who is the (*TITLE OF PERSON TO CONTACT*). Our telephone number is (*AGENCY TELEPHONE NUMBER*), and our regular office hours are (*OFFICE HOURS* - from _____ to _____, _____ through _____).

Sincerely,

(COMMUNITY OFFICIAL)

* This notice (and all notices) should be hand-delivered and a signed receipt obtained or sent registered or certified mail, return receipt requested.

REQUEST COMPLETE BOOKLET FROM THDA

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY INTRODUCTION

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended** (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

INVITATION TO ACCOMPANY AN APPRAISER

(Current Date)

(Name of Owner)

(Address)

(City), (State) (Zip Code)

Dear *(Mr. or Mrs. Owner)*:

I have been requested by the *(Community)* to prepare an appraisal of your property on *(Address of Property)*. I will visit the property *(Date of Appraisal Visit)*. If you wish to accompany me, please phone me at *(Telephone Number)* to arrange a mutually convenient time.

Sincerely,

(Appraiser's Name)

(Title)

OFFER TO PURCHASE

(Current Date)

(Name of Owner)

(Address)

(City), (State) (Zip Code)

Dear _____:

The City would like to buy you property located at:

(LOCATION OF PROPERTY TO BE ACQUIRED)

Your property is needed for:

(BRIEF DESCRIPTION OF THE PROJECT)

Based on fair and independent appraisal of the property, we propose to offer:

(AMOUNT OF OFFER)

We feel the offer represents just and reasonable payment. Please read carefully the attached "Statement Of The Basis For The Determination Of Just Compensation". It contains a complete description of the property and any improvements we propose to acquire. It also explains how the amount of our offer was determined.

If the offer is acceptable, please sign below.

Sincerely,

Signed,

*(SIGNATURE AND TITLE OF
COMMUNITY OFFICIAL)*

(SIGNATURE OF OWNER)

Attachment

(DATE)

STATEMENT OF THE BASIS FOR DETERMINATION OF JUST COMPENSATION

(Current Date)

(Inside Address)

SUBJECT: Statement of the Basis for Determination of Just Compensation
HOME Program
_____, Tennessee.

Dear _____:

The following information is a summary of how the _____ established the amount of the offer, which is felt to be a fair and reasonable price for certain property you own in the _____ HOME Program Area, _____, Tennessee.

DESCRIPTION OF PROPERTY (Legal description or plat)

STREET ADDRESS (or other positive identification)

INTEREST TO BE ACQUIRED

LISTING OF FIXTURES, STRUCTURES, OR OTHER IMPROVEMENTS TO THE LAND TO BE ACQUIRED

OTHER ITEMS OF REALTY, OWNED BY OTHER PARTIES TO BE A PART OF THE ACQUISITION:
(Item and Owner)

AMOUNT OF THE OFFER

\$ (numerical amount)

(spelled out in CAPS)

We believe that our offer represents just compensation for your property. It is **not less than** the approved appraisal for the property. Any increase or decrease in the market value caused by this project for which your property is being acquired or the likelihood that it would be acquired, other than to physical wear and tear within your reasonable control, has been disregarded by our appraisers. Our offer does not take into account any relocation assistance or payments that you may be entitled to receive. We will pay all reasonable closing costs. Of course, expenses to provide us with good title are your responsibility. This includes such items as liens for taxes, materials and mechanics liens, and outstanding mortgages.

Our offer to you is based on Fair Market Value, defined as "the price the property will bring in a competitive market under conditions requisite to a fair sale resulting from negotiations between a buyer and a seller, each acting prudently and wisely, and without pressure or undue influence."

APPRAISAL PROCEDURES

The appraiser(s) which were hired to appraise your property used practices and techniques recognized by all professional appraisal societies and organizations. These techniques are:

1. **COST APPROACH TO VALUE:** The appraiser appraises the land as if vacant. To that value, he adds the depreciated cost of the improvements. The land value is determined by using recent vacant land sales. The depreciated building value is determined by calculating the cost **today** of reproducing the building new and deducting for all causes of depreciation.
2. **DIRECT SALES COMPARISON APPROACH:** The value of the property is estimated by comparing it with similar properties that have recently sold in the same or similar area. The appraiser makes adjustments to the sales price for differences between the sales and the subject property.
3. **INCOME APPROACH:** This approach depends on determining the market rent for the subject property and finding what similar property has sold for on the market. The sales price is then divided by the actual rent to determine a multiplier (the technical term is the Gross Rent Multiplier or GRM). The market rent of the subject is multiplied by the GRM. The result is the Value Indicated by the Income Approach.

NOTE: For non-residential and large multi-family properties, the income approach is more complicated and involves capitalization of net income. It is not discussed in detail since few such properties are being acquired.

CORRELATION AND FINAL VALUE STATEMENT

The appraiser then has as many as three indications of value if all three approaches are appropriate. At this point, the appraiser re-analyzes all the information and selects one amount that most nearly reflects the consensus of his/her data. This amount is not an average, but the conclusion based on this analysis. The appraiser then recommends this value to us as of a specific date.

Please realize that much of the language above is required by the Federal Regulations and Law, and as such, is sometimes confusing. If you have any questions, please feel free to contact us. We are located (LOCATION OF OFFICE). Our office hours are (OFFICE HOURS) and our telephone number is (OFFICE TELEPHONE NUMBER). (NAME OF PERSON TO CONTACT) is the person who could better answer any questions of a specific nature.

Sincerely,

(GRANTEE)

OFFER OF SALE OF LAND

In consideration of the sum of one dollar (\$1) and other valuable consideration in hand paid, the receipt whereof is hereby acknowledged, the undersigned (hereinafter called the "Seller") being the owner thereof, hereby offers and agrees to sell and convey to the City of _____ (hereinafter called "the City") or its assignee or nominee the following described property located in the City of _____, County of _____, State of _____.

Upon the following terms and conditions:

Upon closing, the Seller shall convey to the City or its assignee or nominee by general warranty deed a good and marketable fee simple title thereto, together with all improvements, hereditaments and appurtenances thereto belonging, free and clear of all liens (except liens for current taxes and assessments), easements, restrictions, delinquent taxes and assessments, leases and encumbrances of any kind, existing or inchoate with proper release of dower, courtesy, and waiver of homestead rights, if any, together with all of his right, title and interest in and to any streets or alleys, adjoining or abutting thereon. Taxes and assessments shall be adjusted as of the time of closing. Possession shall be delivered to the City at the time of closing.

The total purchase price shall be \$ _____. All expenses of examination of title and of preparation and recording of the deed shall be paid by the City. Payment of the purchase price shall be made upon transfer of title to the City.

This offer shall be irrevocable for a period of _____ days from the date hereof and shall remain in force thereafter until terminated by the Seller. Such termination may be effected at any time after the expiration of such _____ days period by Seller giving 60 days prior written notice to the City of such termination. If this offer is accepted, the City shall endorse its acceptance hereon and mail notice thereof to the Seller at the address specified below. The City shall specify the place and time of closing, which shall not be more than 60 days after the date of acceptance. The Seller agrees that this offer shall not be revocable and that he will not sell, mortgage, encumber, or otherwise dispose of such property or any part thereof prior to said expiration date, except to the City. This agreement shall be binding upon the seller and his heirs, executors, administrators, successors, and assigns.

Notwithstanding the prior acceptance of this offer, the City in lieu of completing the purchase of said premises may, at any time prior to closing, proceed to acquire the same by condemnation. The Seller agrees, as an independent stipulation, which shall survive the expiration or termination of this offer, to such condemnation upon the payment of just compensation, which shall be the purchase price above stated, which price the Seller hereby declares to be the fair market value of said premises, inclusive of every interest therein. Loss or damage to the property by fire or casualty shall be at the risk of the Seller until the title has been conveyed to the City.

Accepted _____, 20_____, 20_____

BY: _____ Address: _____

B. Type of Loan

1. ☐ FHA

2. ☐ FmHA

3. ☐ Conv. Unins.

4. ☐ VA

5. ☐ Conv. Ins.

6. File Number:

7. Loan Number:

8. Mortgage Insurance Case Number:

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked “(p.o.c.)” were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:

E. Name & Address of Seller:

F. Name & Address of Lender:

G. Property Location:

H. Settlement Agent:

I. Settlement Date:

Place of Settlement:

J. Summary of Borrower's Transaction

100. Gross Amount Due From Borrower

101. Contract sales price

102. Personal property

103. Settlement charges to borrower (line 1400)

104.

105.

Adjustments for items paid by seller in advance

106. City/town taxes

to

107. County taxes

to

108. Assessments

to

109.

110.

111.

112.

120. Gross Amount Due From Borrower

200. Amounts Paid By Or In Behalf Of Borrower

201. Deposit or earnest money

202. Principal amount of new loan(s)

203. Existing loan(s) taken subject to

204.

205.

206.

207.

208.

209.

Adjustments for items unpaid by seller

210. City/town taxes

to

211. County taxes

to

212. Assessments

to

213.

214.

215.

216.

217.

218.

219.

220. Total Paid By/For Borrower

300. Cash At Settlement From/To Borrower

301. Gross Amount due from borrower (line 120)

302. Less amounts paid by/for borrower (line 220)

303. Cash

☐ From

☐ To Borrower

K. Summary of Seller's Transaction

400. Gross Amount Due To Seller

401. Contract sales price

402. Personal property

403.

404.

405.

Adjustments for items paid by seller in advance

406. City/town taxes

to

407. County taxes

to

408. Assessments

to

409.

410.

411.

412.

420. Gross Amount Due To Seller

500. Reductions In Amount Due To Seller

501. Excess deposit (see instructions)

502. Settlement charges to seller (line 1400)

503. Existing loan(s) taken subject to

504. Payoff of first mortgage loan

505. Payoff of second mortgage loan

506.

507.

508.

509.

Adjustments for items unpaid by seller

510. City/town taxes

to

511. County taxes

to

512. Assessments

to

513.

514.

515.

516.

517.

518.

519.

520. Total Reduction Amount Due Seller

600. Cash At Settlement To/From Seller

601. Gross amount due to seller (line 420)

602. Less reductions in amt. due seller (line 520)

603. Cash

☐ To

☐ From Seller

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are manadatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.

The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The information requested does not lend itself to confidentiality.

Previous editions are obsolete

Page 1 of 2

form HUD-1 (3/86)
ref Handbook 4305.2

L. Settlement Charges

700. Total Sales/Broker's Commission based on price \$				@	% =	Paid From Borrowers Funds at Settlement	Paid From Seller's Funds at Settlement
Division of Commission (line 700) as follows:							
701.	\$		to				
702.	\$		to				
703. Commission paid at Settlement							
704.							
800. Items Payable In Connection With Loan							
801.	Loan Origination Fee		%				
802.	Loan Discount		%				
803.	Appraisal Fee		to				
804.	Credit Report		to				
805. Lender's Inspection Fee							
806. Mortgage Insurance Application Fee to							
807. Assumption Fee							
808.							
809.							
810.							
811.							
900. Items Required By Lender To Be Paid In Advance							
901.	Interest from	to	@ \$	/day			
902.	Mortgage Insurance Premium for			months to			
903.	Hazard Insurance Premium for			years to			
904.				years to			
905.							
1000. Reserves Deposited With Lender							
1001.	Hazard insurance	months@ \$		per month			
1002.	Mortgage insurance	months@ \$		per month			
1003.	City property taxes	months@ \$		per month			
1004.	County property taxes	months@ \$		per month			
1005.	Annual assessments	months@ \$		per month			
1006.		months@ \$		per month			
1007.		months@ \$		per month			
1008.		months@ \$		per month			
1100. Title Charges							
1101.	Settlement or closing fee		to				
1102.	Abstract or title search		to				
1103.	Title examination		to				
1104.	Title insurance binder		to				
1105.	Document preparation		to				
1106.	Notary fees		to				
1107.	Attorney's fees		to				
(includes above items numbers:)		
1108.	Title insurance		to				
(includes above items numbers:)		
1109.	Lender's coverage		\$				
1110.	Owner's coverage		\$				
1111.							
1112.							
1113.							
1200. Government Recording and Transfer Charges							
1201.	Recording fees: Deed \$; Mortgage \$			
1202.	City/county tax/stamps: Deed \$; Mortgage \$			
1203.	State tax/stamps: Deed \$; Mortgage \$			
1204.							
1205.							
1300. Additional Settlement Charges							
1301.	Survey		to				
1302. Pest inspection to							
1303.							
1304.							
1305.							
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)							

NOTICE OF INTENT NOT TO ACQUIRE
--

(Current Date)

(Property Owner)
(Address)

Dear _____:

The *(COMMUNITY)* has determined not to acquire your *(LOCATION OF PROPERTY)* property. Any person moving from the premises from the date of this notice will not be eligible for relocation payments or benefits.

Sincerely,

(Community Official)

cc: *(Tenant)*

REPORT ON REAL PROPERTY ACQUISITION

NOTE: This report is due at the completion of an acquisition

Is this the final report for this Project: ☐ Yes ☐ No

REAL PROPERTY ACQUISITION	DATE (MO/YR)	NUMBER OF PARCELS	AMOUNT PAID
Acquired by Voluntary Acquisition (not site specific, i.e., advertised for proposed sites.)			
Acquired by Donation (right to just compensation waived by owner)			
Acquired from another Public Agency			

REAL PROPERTY ACQUISITION SUBJECT TO UNIFORM ACT	DATE (MO/YR)	NUMBER OF PARCELS	AMOUNT PAID
Accepted "Just Compensation" Amount			
Acquired by Negotiation			
Acquired by Condemnation			

PREPARED BY:

Name: _____

Phone: _____

Title: _____

Date: _____

AQ-12

SITE ACQUISITION REPORT

PROJECT NAME AND NUMBER _____

STATUS AS OF _____

[illegible]

CHAPTER SIX

FAIR HOUSING AND EQUAL OPPORTUNITY

1. OVERVIEW

- 1.1 Each Grantee funded under Tennessee Housing Development Agency's (THDA) HOME Program must comply with both state and federal laws with regard to fair housing and equal opportunity (FHEO). FHEO requirements have been developed to protect individuals and groups against discrimination on the basis of: race, color, national origin, religion, sex, age, physical or mental handicap, and family status.
- 1.2 In particular, HOME program administrators will need to be aware of discrimination issues with regard to: housing opportunities; benefits resulting from activities funded in full or in part by HOME dollars, employment opportunities, and business opportunities.

2. BASIC STATUTORY PROVISIONS

- 2.1 THDA Grantees must comply with all of the following federal laws, executive orders, and regulations pertaining to fair housing and equal opportunity.
 1. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 AS AMENDED (42 U.C.A.. 2000D) - States that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance on the basis of race, color, or national origin. Its implementing regulations may be found in 24 CFR Part 1.
 2. TITLE VII OF THE CIVIL RIGHTS ACT OF 1964 AS AMENDED (42 U.C.A. 2000E) - Prohibits discrimination in employment against any individual on the basis of race, color, religion, sex or national origin, and allows victims of intentional discrimination to seek punitive and compensatory damages through jury trials.
 3. TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968, AS AMENDED "THE FAIR HOUSING ACT" (42 U.C.A.. 3601) - Prohibits discrimination in the sale or rental of units in the private housing market against any person on the basis of race, color, religion, sex, national origin, familial status or handicap. Its implementing regulations may be found in 24 CFR Part 100-115.
 4. EQUAL OPPORTUNITY IN HOUSING (EXECUTIVE ORDER 11063, AS AMENDED BY EXECUTIVE ORDER 12259) - Prohibits discrimination in housing or residential property financing related to any federally assisted activity against individuals on

the basis of race, color, religion, sex or national origin. Implementing regulations may be found in 24 CFR Part 107.

5. SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED (29 U.S.C. 794) - States that no otherwise qualified individual may be excluded, solely because of his/her handicap, from participation in, the benefits of, or subject to discrimination under any program or activity receiving federal financial assistance. The implementing regulations may be found in 24 CFR Part 8.
6. AMERICANS WITH DISABILITIES ACT (42 U.S.C 12131; 47 U.S.C. 155, 201, 218 AND 225) – Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act, also referred to as the ADA, also states that discrimination includes failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communications barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.
7. AGE DISCRIMINATION ACT OF 1975, AS AMENDED (42 U.S.C. 6101-07) - Prohibits age discrimination in programs receiving federal financial assistance. Its implementing regulations may be found in 24 CFR Part 146.
8. EQUAL EMPLOYMENT OPPORTUNITY, EXECUTIVE ORDER 11246, AS AMENDED - Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin. Provisions to effectuate the prohibition must be included in all construction contracts exceeding \$10,000. Implementing regulations may be found at 41 CFR Part 60.
9. MINORITY AND WOMAN BUSINESS OPPORTUNITIES (EXECUTIVE ORDERS 11625, 12138, AND 12432) - To ensure that all federal agencies with substantial procurement or grant making authority adopt minority and woman business development plans (See EO-1). The implementing regulations may be found in 24 CFR Section 511.13(c).
10. AFFIRMATIVE MARKETING (24 CFR 511.13(B)) FOR RENTAL PROPERTIES CONSISTING OF FIVE (5) OR MORE UNITS - Requires that each THDA Grantee establish procedures to inform the public, owners and potential tenants of federal Fair Housing laws and the Grantee's affirmative marketing program; develop requirements for owners assisted under THDA's Program; outline procedures by which owners will solicit applications from eligible potential tenants; maintain records of Grantee and owner efforts to affirmatively market rehabilitation units; and develop a system for evaluating owners' affirmative marketing efforts (See EO-3).

11. SECTION 3 OF HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED, 12 U.S.C. 1701u. - The purpose of which is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very-low-income persons, particularly those who are recipients of government assistance for housing.
12. SITE AND NEIGHBORHOOD STANDARDS FOR NEW CONSTRUCTION (24 CFR 882.709) - The purpose of which is to ensure that all proposed new construction sites are approved by HUD.

3. GENERAL RESPONSIBILITIES

- 3.1 The Grantee must take actions to ensure that no protected person or group is denied benefits such as employment, training, housing, access to information, or contracts generated by THDA funded projects on the basis of minority status. As the project progresses the Grantee:
 1. Must exercise non-discrimination in the decision-making process for all elements of the project;
 2. Must take any necessary actions to ensure that members of the protected groups have equal access to any information, related services, and job opportunities associated with THDA-funded projects;
 3. Must make reasonable accommodations (modifications or exceptions) to rules, policies, practices, or services, when such accommodations may be necessary to afford persons with disabilities an equal opportunity participate in the program;
 - a. If a requested modification imposes an undue financial or administrative burden on a local government, or if a modification creates a fundamental alteration in a local government's land use and zoning scheme, it is not to be deemed a "reasonable" accommodation;
 4. Must monitor the extent to which protected groups are participating and receiving benefits from the project.
 5. Must maintain records of all tenants who initially occupy units that have been rehabilitated with HOME funds, by race, ethnicity, and sex and include this information in the Project Completion Report; and
 6. Must ensure that all subrecipients and contractors are taking all required actions.

7. Must ensure compliance with Section 3 requirements by verifying that recipients and contractors are making efforts to utilize low income residents in the Section 3 area for training and employment opportunities.
8. Construction contracts will probably generate the employment of local residents. Those responsible for hiring must be aware of the requirements of Equal Opportunity.
9. Must ensure that every effort is being made to notify minority/female owned businesses as well as document efforts, the following documents have been developed:
 - a. Policy and Procedures for Outreach to Minority and Women Business Enterprises (EO-1); and
 - b. Directory of Minority and Female Business Contractors and Suppliers in Tennessee (EO-2).

4. ACTIVITIES

- 4.1 **FAIR HOUSING ACTIVITY** - For the 1998 HOME Program, a copy of the pamphlet of Fair Housing Laws (EO-8) will be distributed to each program applicant. Each grantee will need to maintain records to demonstrate that this requirement has been met.
- 4.2 **SECTION 3** - Grantees and contractors must make every effort to utilize low income residents for employment and training opportunities.

Section 3 Questionnaire (EO-5) - This form must be completed by all grantees whose HOME contract is \$200,000 or more.
- 4.3 **POLICY OF NONDISCRIMINATION** - A written policy of nondiscrimination (EO-6) must be posted conspicuously so all recipients, job applicants, contractors, subcontractors and interested parties may see it.
- 4.4 **CONSTRUCTION GENERATED EMPLOYMENT** - Your HOME grant will probably generate employment through construction contracts. Those responsible for hiring must be aware of the Equal Opportunity requirement. Following is a list of requirements to help the grantee meet Equal Opportunity requirements:
 1. Construction contracts must have the proper equal opportunity language and correct goals for minority and female employment. Goals will need to be inserted for contracts other than homeowner rehabilitation. (Refer to EO-7 for Minority goals)

2. Document efforts to inform minority/female owned businesses.
 3. Any subcontractor working with the prime contractor must also provide documentation where they also attempted to use minority/female owned businesses.
- 4.5 **MINORITY/FEMALE SOLICITATION** - Every effort must be made to assure minority and female owned businesses are offered opportunities to bid on service, material and construction contracts. To meet this requirement the following steps should be taken:
1. The grantee should notify minority and female owned businesses of contracts and bid deadlines.
 2. A list of minority/female contractors and businesses must be maintained. A State-wide directory is included in this chapter (EO-2).
 3. A contract/subcontract activity report (EO-4) must be completed on all contracts awarded.
- 4.6 **SECTION 504** - Both new construction and rehabilitation of multi-family housing assisted with HOME funds are subject to and must meet the standards of Section 504. Section 504 standards apply to all units in a project and not just the HOME-assisted units.
1. For new construction of all multi-family units and for rehabilitation projects with 15 or more units for which the rehabilitation cost will equal at least 75% of the replacement cost: 5% of the units in the project must be accessible to individuals with mobility impairments, and an additional 2% must be accessible to individuals with sight and hearing impairments.
- 4.7 **SITE AND NEIGHBORHOOD STANDARDS** - Proposed sites for new construction units must be approved by HUD as meeting the following site and neighborhood standards.
1. Site must be adequate in size to accommodate the number of units proposed and have adequate utilities and streets to service the site.
 2. Site and neighborhood must be suitable from the standpoint of facilitating and furthering full compliance with applicable provisions of Title VI of the Civil Rights Act of 1964. The Fair Housing Act, Executive Order 11063 and Implementing HUD Regulations.
 3. The site must not be located in an area of minority concentration and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
 4. The site may be located in an area of minority concentration *ONLY* if:

- a. Sufficient comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration; or
- b. the project is necessary to meet overriding housing needs that cannot be met in that housing market area.

4.8 **FAIR HOUSING AND LOCAL ZONING ORDINANCES** - The Fair Housing Act does not pre-empt local zoning laws. The Act does, however, apply to municipalities and other local government entities and prohibits them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons, including individuals with disabilities. The Fair Housing Act makes the following unlawful:

- a. To utilize land use policies or actions that treat groups of persons with disabilities less favorably than groups of non-disabled persons. An example would be an ordinance prohibiting housing for persons with disabilities or a specific type of disability, such as mental illness, from locating in a particular area, while allowing other groups of unrelated individuals to live together in that area.
- b. To take action against, or deny a permit, for a home because of the disability of individuals who live or would live there. An example would be denying a building permit for a home because it was intended to provide housing for persons with mental retardation.
- c. To refuse to make reasonable accommodations in land use and zoning policies and procedures where such accommodations may be necessary to afford persons or groups of persons with disabilities an equal opportunity to use and enjoy housing.

5. RECORDKEEPING AND EO/FH CHECKLIST

- 5.1 Grantees must maintain careful records of their actions for FHEO monitoring purposes. This documentation must include: all advertisements for employment and documentation regarding the subsequent applications and individuals hired. Advertisements should contain the required equal opportunity language.
- 5.2 **CONTRACTOR/SUBCONTRACTOR ACTIVITY REPORT** - This form (EO-4) is to be maintained by the Grantee and copies sent to THDA by *May 31st of every year*. This report should include *only* the completed projects.
- 5.3 Complaints, if any. Notify THDA who will address the Grantee as proper procedures to follow.

- 5.4 Beneficiary data by race, ethnicity, sex, and handicap.
- 5.5 Directory of Minority and Female Contractors & Suppliers (*Pull from manual and place in EO/FH file*).
- 5.6 Documentation to solicit minority/female businesses participation (copy of letters sent, copy of bid advertisement specifically encouraging participation).
- 5.7 City or County hiring policies.
- 5.8 Documentation of Fair Housing Activity (signed copies of Fair Housing Law Pamphlet).
- 5.9 Section 3 Questionnaire.
- 5.10 Policy of Non-Discrimination.

**STATE OF TENNESSEE
TENNESSEE HOUSING DEVELOPMENT AGENCY**

POLICY AND PROCEDURES FOR OUTREACH TO MINORITY AND WOMEN BUSINESS ENTERPRISES
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It is the policy of the Tennessee Housing Development Agency that contractors, vendors or suppliers may not be denied an opportunity for employment under the HOME program on the basis of:

- ⇒ Race
- ⇒ Color
- ⇒ Religion
- ⇒ National Origin
- ⇒ Sex
- ⇒ Age
- ⇒ Handicap

All state recipients and sub-recipients of federal funds must take affirmative steps to assure women and minority businesses are afforded opportunities to bid on service, material and construction contracts. To meet the requirement, recipients must take steps to inform women and minority businesses about federally funded contracts.

Each recipient's outreach effort to minority and women-owned businesses should as a minimum be:

1. A good faith, comprehensive and continuing endeavor;
2. Supported by a statement of public policy and commitment published in the print media of widest local circulation;
3. Supported by an office and/or key, ranking staff person with oversight responsibilities and access to the chief elected official; and
4. Designed to use all available and appropriate public and private sector local resources.

The following activities shall be considered a minimally acceptable level of implementation:

The recipient should notify minority and women businesses of contracts and bid deadlines. This applies to professional service contracts and material and equipment purchases as well as to construction contracts. For construction contracts, notices should be published in the local newspaper. In addition, notice may also be published in a minority publication.

The invitation to bid should be sent directly to minority and women firms in addition to running advertisements. Document your efforts.

Solicit quotes and proposals from minority and women firms. For non-construction contracts, or any contract where formal advertising is not required (e.g., small purchases or local procurement contracts), it is a good idea for larger cities and counties to develop a list of minority and women businesses to use when small purchase and local procurement procedures are followed.

A list of minority/female contractors, vendors and suppliers must be maintained. A state-wide directory will also be maintained and made available to recipients.

Invite by phone or letter any minority and female contractors in a reasonable geographic area to bid. For example, a project in Marion County should solicit bids not only from within the county, but also from Hamilton County. Copies of letters and memos of phone calls should be placed in the file (examples of form letters will be provided).

A contract and subcontractor activity report must be filled out each time a contract or subcontract is awarded. These forms must be sent to the Tennessee Housing Development Agency as soon as contracts have been awarded.

EO-2

JULY 2005

DIRECTORY

OF

MINORITY AND FEMALE

CONTRACTORS AND SUPPLIERS

IN

TENNESSEE

PREPARED BY:

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

ABOUT THE DIRECTORY

The directory lists counties in alphabetical order. Minority and female businesses are alphabetized under corresponding counties as follows:

- Business Name and Address
- Telephone Number
- President, Owner, or Contact Person
- Description of Services

Several counties are not included in the directory. There are two primary reasons.

- Minority/Female owned businesses do not exist in some counties.
- Information regarding Minority/Female owned businesses has not been provided for these counties.

If your project is located in a county without minority/female businesses, efforts should be made to solicit minority/female participation from surrounding counties.

Questions concerning the directory or suggestions on how it may be modified should be forwarded to:

**Department of Economic and Community
Development
Program Management Section
312 Eighth Avenue, North
10th Floor, William R. Snodgrass Tennessee
Tower
Nashville, Tennessee 37243-0405**

ANDERSON COUNTY

Brown Painting & Sandblasting Company

438 W. Outer Drive
Oak Ridge, Tennessee 37830

(865) 482-5754

James J. Brown

Painting (exterior & interior) Sandblasting -
Market Area, within 50 miles.

Certified By: None

Engineering Construction Services

5603 Harriman Hwy.
Oliver Springs, Tennessee 37840

(865) 435-1007

Tele Moore

Construction and engineering services

Certified By: TDOT

Golden Landscape & Reclamation

1419 East 5th Avenue
Knoxville, Tennessee 37917

(865) 523-3444

Mary Lou Golden

Aggregate construction, excavation and
embankment, general contracting building,
moving, demolition, clearing, grubbing,
landscaping, sodding, seeding

Certified By: TDOT

Industrial Hardware & Supply, Inc.

733 Emory Valley Road
Oak Ridge, Tennessee 37830

(865) 482-5522

Crystal Duke

Wholesale distributorship

Certified By: None

J & D Enterprises

395 Lakeview Lane
Andersonville, Tennessee 37705

(865) 494-9630

Jackie Proffer

Supplier and manufacturer of patch cord
assemblies

Certified By: TDOT

M.K. Wilson & Associates

550 Oak Ridge Turnpike, Box 5207
Oak Ridge, Tennessee 37830

(865) 482-9442

Kathey Wilson

Supplier of asphalt, concrete, fence, posts,
plants, sand, signs, electrical, paper products, &
office equipment

Certified By: TDOT

Oak Ridge Research Institute
113 Union Valley Road
Oak Ridge, Tennessee 37830

(865) 481-5000

Dr. Nathaniel Revis

Environmental, geotechnical, soils analysis,
studies, test matter

Certified By: None

Pruitt Landscaping Company
531 West Broad Street
Clinton, Tennessee 37716

(865) 457-4733

William M. Pruitt

Landscaping

Certified By: TDOT

Security Consultants Group, Inc.
178 Northwestern Avenue
Oak Ridge, Tennessee 37830

(865) 482-7440

Marsha Langford

Security annd consulting

Certified By: TDOT

S.T.E.P., Inc.
1006 Floyd Culler Court
Oak Ridge, Tennessee 37830

(865) 481-7837

Jeff Woods

Gavel or crushed stone, rip-rap, concrete,
building, moving, demolition, clearing, grubbing,
joint sawing and sealing, landscaping and
painting. Environmental consulting/engineering
and construction management.

Certified By: TDOT

BEDFORD COUNTY

Brave Construction Co., Inc.
P.O. Box 124, 204 Greenbrier Ave.
Shelbyville, Tennessee 37160

(931) 684-5097

Neal Mathews

Gravel or crushed stone, concrete flatwork,
paving, clearing, seeding, sodding and fencing

Certified By: TDOT

First Ambulance Center of Tenn. Inc.
P.O. Box 172, 250 Thompson Street
Shelbyville, Tennessee 37160

(931) 684-3033

Jasper Moon

Manufactures ambulances

Certified By: OMBE

T & T Steel Erectors, Inc.
1201 Knob Creek Road
Wartrace, Tennessee 37183

(931) 389-9650

Vivian L. Thomas

Placement of reinforcing steel

Certified By: TDOT

Thomison Brothers, Inc.
264 Henslee Road
Shelbyville, Tennessee 37160

(931) 684-1878

George Thomison

Labor and materials for stone masonry, riprap,
and miscellaneous concrete

Certified By: None

Tillman Construction Company, Inc.
264 Henslee Road
Shelbyville, Tennessee 37160

(931) 684-9403

Ronald W. Tillman

General Contractor - Market Area, statewide

Certified By: None

BENTON COUNTY

Arnold Trucking & Leasing
6915 Hwy. 641 South
Camden, Tennessee 38320

(731) 584-2888

Francis Arnold

Trucking and hauling

Certified By: TDOT

D & D Trucking Co. of Tennessee
P.O. Box 326, 2900 70 Bypass West
Camden, Tennessee 38320

(731) 584-5007

Kim Dudley

Trucking and hauling

Certified By: TDOT

BLOUNT COUNTY

Caldwell Fence Co.
P.O. Box 5239
Maryville, Tennessee 37802

(865) 982-2185

Marilyn Caldwell

Fencing, Guardrails

Certified By: TDOT

JMT, Inc.
Box 5415
Maryville, Tennessee 37802

(865) 984-5696

Mari Wilkerson

Trucking and hauling

Certified By: TDOT

Shore Tank Lines, Inc.
P.O. Box 6018
Maryville, Tennessee 37802

(865) 984-0752

Judy Shore

Trucking

Certified By: TDOT

Whaley & Sons, Inc.
P.O. Box 369
10123 Chapman Hwy.
Seymour, Tennessee 37865

(865) 573-7542

Lynda Whaley

Earthwork, clearing, grubbing, fence

Certified By: None

W & W Painting Services
3426 Russellwood Drive
Rockford, Tennessee 37853

(865) 982-6489

Herchell B. White

Painting – commercial and industrial

Certified By: TDOT

BRADLEY COUNTY

American Custom Manufacturing
Box 3630
Cleveland, Tennessee 37320

(423) 476-5599

Lee Otis Burton

Manufacturing and supplier of steel pressure
vessels
and handrails

Certified By: TDOT

AYM Contracting, Inc.
4707 Rosemary Road
Ooltewah, Tennessee 37363

(423) 296-2801

Arlene Y. Moore

Rebar placement and tying, demolition,
excavation, concrete, temporary walls

Certified By: TDOT

Environmental Concepts of TN, Inc.
5115 Mouse Creek Road, NW
Cleveland, Tennessee 37312

(423) 559-8311

Rita W. Lons

Hydro seeding, erosion control materials

Certified By: TDOT

F & W Construction Co., Inc.
686 Rakestraw Rd., SW
McDonald, Tennessee 37353

(423) 473-9847

Sandra F. Rakestraw

Rip-rap, curb, gutter, driveways, sidewalks,
inlets, catch basins, manholes and culverts

Certified By: TDOT

Gibco Dozer
875 Wildwood Avenue
Cleveland, Tennessee 37311

(423) 476-7905

Sharon Gilbert

Excavation

Certified By: TDOT

Marvin Wood
135 Fair Street
Cleveland, Tennessee 37311

(423) 472-9595

Housing rehabilitation

Certified By: None

M.C. Construction
3505 Atkisson Drive, Suite 111
Cleveland, Tennessee 37312

(423) 478-6486

Mike Campbell

Masonry and concrete work

Certified By: TDOT

Southern Erosion Control
Box 2384
Cleveland, Tennessee 37320

(423) 478-5455

Jo Ann Reece

Manufacturing and installation of silk fence,
seeding, erosion blanket installation

Certified By: TDOT

CARTER COUNTY

ALH Construction Company
415 W.E. St.
Elizabethton, Tennessee 37643

(423) 543-4946

Annette Hall

Concrete flatwork, structures, and underground
general construction

Certified By: TDOT

Native Green Landscaping
142 Lovers Lane
Elizabethton, Tennessee 37643

(423) 542-7396

Lori Shell

Erosion control, clearing, grubbing, landscaping,
sodding, seeding

Certified By: TDOT

Perry Wash
830 Watauga Avenue
Elizabethton, Tennessee 37603

(423) 542-5379

Concrete contractors

Certified By: None

CHEATHAM COUNTY

Lu, Inc.
P.O. Box 607, 430 Park St.
Kingston Springs, Tennessee 37082

(615) 952-5501

Betty Cole

General, commercial, highway specialty
contractors, guardrail

Certified By: TDOT

Reginald Ewin Trucking Co.
4064 Manning Hollow
Pegram, Tennessee 37143

(615) 353-1684

Reginal Ewin

Trucking and hauling

Certified By: TDOT

R J Abstract and Translation Services
1008 Mayes Road
Kingston Springs, Tennessee 37082

(615) 952-5626

Ricardo Colon/Jennifer Colon

Titles searches for residential and commercial
properties and translation from English to
Spanish

Certified By: TDOT

R. N. Ferguson Co. Inc.
1311 Dry Creek Road, P.O. Box 327
Ashland City, Tennessee 37015

(615) 792-7602

Carolyn Ferguson

Painting, sandblasting

Certified By: TDOT

CLAY COUNTY

TKM, Inc.
915 Weaver Bottom Road
Celina, Tennessee 38551

(931) 243-3958

Tammie K. Melton

Erosion and traffic control, landscaping

Certified By: TDOT

COCKE COUNTY**Erby Contractors, Inc.**

P.O. Box 701
Newport, Tennessee 37822

(423) 625-1658

Deborah Erby

Trucking & Hauling - Communications
Equipment/Radios

Certified By: TDOT

Roland Dykes Mason

1105 Dykes Street
Newport, Tennessee 37821

Housing rehabilitation

Certified By: None

COFFEE COUNTY**Gilley Contruction**

Box 2214, 4741 Murfreesbor Hwy.
Manchester, Tennessee 37355

(931) 728-3296

Vicki Gilley

Rebar and wire mesh (in concrete)

Certified By: TDOT

Roberts Seeding and Sod, Inc.

1657 Old Airport Road
Hillsboro, Tennessee 37342

(931) 596-2411

Theresa Roberts

Sodding, seeding, erosion control, trees and
shrubs

Certified By: TDOT

CROCKETT COUNTY**Gridco Way, Inc.**

2900 Maury City, Chestnut Bluff Road
Friendship, Tennessee 38034

(731) 656-4131

Lynda Riddick

Installs guardrails and concrete work

Certified By: None

J. R. Construction, Inc.

P.O. Box 268, 214 First Street
Maury City, Tennessee 38050

(731) 656-2731

Barbara Riley

Road and bridge work, concrete paving

Certified By: TDOT

CUMBERLAND COUNTY**England Striping Inc.**

P.O. Box 891
Crossville, Tennessee 38557

(931) 484-6188

Judith England

Pavement marking

Certified By: TDOT

DAVIDSON COUNTY

A. Buchanan Electric & Plumbing

172 Moss Road
Nashville, Tennessee 37221

(615) 832-7111

William Moss

Electrical and plumbing

Certified By: None

A. C. Power, Inc.

827 West McKenzie Ave.
Nashville, Tennessee 37206

(615) 226-8476

Kelly Holmes

General contracting concrete, clearing, grubbing,
steel erection and trucking

Certified By: TDOT

A-1 Environmental Placement

603 Fordomatic Drive
Nashville, Tennessee 37209-1623

(615) 353-6407

Betty Carver

Temporary employee service for environmental
employees

Certified By: TDOT

Advanced Parking Lot Service

725 Rocky Mtn. Ct.
Antioch, Tennessee 37013

(615) 361-9999

Vanessa Childress

Commercial & industrial line striping, tennis
courts, asphalt maintenance, power washing &
seal coating

Certified By: TDOT

Aggregate Logistics LLC

315 Tenth Avenue North, Suite 118
Nashville, Tennessee 37203

(615) 255-3519 - 800-967-6199

Richard Friley

Trucking and hauling transportation logistics

Certified By: TDOT

Alexander & Associates

P.O. Box 80357
Nashville, Tennessee 37208

(615) 244-3202

Victor Alexander

Insurance products and risk management
services

Certified By: TDOT

Allied Concrete Construction

105 Joyner Avenue
Nashville, Tennessee 37210

(615) 834-3657

Brian Wilhite

Concrete contractor

Certified By: None

Allied Technology Group, Inc.
315 Woodland Street
Nashville, Tennessee 37206

(615) 664-1150

James Tucker

Engineering services

Certified By: OMBE

Allyson Shumate
1225 Buckhead Drive
Brentwood, Tennessee 37027

(615) 333-2570
(931) 334-6835

Allyson Shumate

Project management, control consulting and
construction management

Certified By: TDOT

Alpha Computech
315 10th Avenue North, Suite 108
Nashville, Tennessee 37203

(615) 259-0066

Saletta Holloway

Hardware and software computer training

Certified By: TDOT

Aztech Industrial Supply, Inc.
1305 Elm Hill Pike
Nashville, Tennessee 37210

(615) 255-8700

Lesly Hart-Kelly

Industrial supply

Certified By: OMBE

Big M. Trucking Co., Inc.
P.O. Box 17157
Nashville, Tennessee 37217

(615) 399-7013

Cecilia Kay Little

Trucking and hauling supplier of crushed stone

Certified By: TDOT

Blake Industries, Inc.
425 Harding Industrial Drive
Nashville, Tennessee 37211

(615) 834-7949

Marilyn Blake

Water quality control

Certified By: OMBE

Bodie & Associates
300 Royal Parkway
Nashville, Tennessee 37214

(615) 327-1144

Al Bodie

Marketing public relation information systems
and general management

Certified By: TDOT

Booker Engineering, Inc.
3200 Cynthia Lane
Nashville, Tennessee 37207

(615) 262-3800

Brenda Booker

Engineering

Certified By: TDOT

Care Management Consultants

Box 3101
Brentwood, Tennessee 37024

(615) 373-2273

Kathy Ingleson

Medial case management

Certified By: TDOT

Caution, Inc.

P.O. Box 1266, 307 Arlington Avenue
Brentwood, Tennessee 37027

(615) 254-3557

Deborah Carol Cole

General construction - commercial, industrial buildings, miscellaneous and speciality items - guardrails, fences, signs, lighting, pavement markings, traffic control devices

Certified By: TDOT

Centennial Express, Inc.

P.O. Box 91117, 4200 Delaware Avenue
Nashville, Tennessee 37209

(615) 383-2200

Phillip A. Carman, III

Temperature and non-temperature controlled semi-trailer hauling

Certified By: TDOT

Childs Enterprise

4900 Indian Summer Dr.
Nashville, Tennessee 37207

(615) 876-2479

Donald Childs

Manufactures wood products

Certified By: None

Commerical Gunitite Inc.

605 Vanoke Drive
Madison, Tennessee 37115

(615) 865-4557

Beverly Nollner

Concrete and bridge repair using pneumatically applied mortor

Certified By: None

Connico Incorporated

2601 Elm Hill Pike, Suite D
Nashville, Tennessee 37214

(615) 399-8300

Connie S. Gowder & Claudia Bower

Construction consultant, scheduling

Certified By: TDOT

Custom Lawn & Landscaping

3012-B River Drive
Nashville, Tennessee 37218

(615) 255-0904

Kenneth Cole

Lawn care and landscaping

Certified By: TDOT

Eddie Randolph Construction Company, Inc.

P.O. Box 70127, 615 Douglas Avenue
Nashville, Tennessee 37207

(800) 765-0694

Eddie Randolph

Concrete paving

Certified By: OMBE

Elite Roofing Company

1048 A Jefferson Street
Nashville, Tennessee 37208

(615) 259-0774

D'Arcy Porter/Katherine Lee

Commercial, industrial and residential roofing

Certified By: TDOT

Eubanks & Sons Construction Company

1401 Litton Avenue
Nashville, Tennessee 37216

(615) 228-0409

Anthony Eubanks

General contractor - commercial building,
residential rehab, municipal sewer and water
lines

Certified By: None

Geotek Engineering Co., Inc.

2909 Elizabeth Street
Nashville, Tennessee 37211

(615) 833-3800

Louis Mishu

Engineering, environmental, geotechnical, soils
analysis, inspection and materials testing

Certified By: TDOT

G & J Construction Company

2813-B Delaware Avenue
Nashville, Tennessee 37209

(615) 327-1757

George & James Jones

Concrete construction, flatwork, sidewalks,
retaining walls, handicap ramps

Certified By: TDOT

H. M. C. Contractors, Inc.

2704 Larmon Drive, P.O. Box 40542
Nashville, Tennessee 37204

(615) 298-1003

B.J. Hogan

Concrete paving, barrier walls, bridge rails, curb
and gutter, concrete sidewalks, drives, culverts,
box bridge - miscellaneous concrete work

Certified By: TDOT

Holland's Lawn and Landscaping

1439 Ardee Avenue
Nashville, Tennessee 37216

(615) 226-7251

Norma Holland

Landscaping, guardrail, fence, sodding, seeding,
painting and concrete (curb, gutter, driveways
and sidewalks)

Certified By: TDOT

I.C.F. Builders and Consultants

784 McGavox Pike
Nashville, Tennessee 37214

(615) 883-7335

Roger Ligon

Commercial, industrial residential construction
and rehabilitation

Certified By: TDOT

I.D.E.A.L. Inc.

P.O. Box 78125, 3002 Ambrose Avenue
Nashville, Tennessee 37207

(615) 262-6401

Ramiro Muralles

Electrical and plumbing supplies

Certified By: TDOT

Ideals on Paper, Inc.

2803-B Foster Avenue, Suite 201
Nashville, Tennessee 37210

(615) 834-6555

BeLinda Wright

Computer aided drafting, utilities mapping, and
digitized mapping

Certified By: TDOT

J F Collier Roofing Co, Inc.

1523 Jones Avenue
Nashville, Tennessee 37207

(615) 226-2844

Yvonne Collier

Commercial and industrial roofing

Certified By: TDOT

C.E. Jones, Inc.

805 A West McKenzie Avenue
Nashville, Tennessee 37206

(615) 228-0881

Carl Jones

General contracting, bridges, roadways,
drainage and excavation, flat concrete work, etc.

Certified By: TDOT

J T & D Contractors Co.

545 Phipps Drive
Nashville, Tennessee 37218

(615) 876-1323

Masonry and backhoe

Certified By: None

Keepsake, Inc.

830 Fesslers Pkwy., Suite 122
Nashville, Tennessee 37210

(615) 726-2266

Sarah Hart

Manufactures carrying bags

Certified By: OMBE

Kerr Bros. & Associates, Inc.

P.O. Box 110071, 935 3rd Ave. South
Nashville, Tennessee 37222

(615) 255-8614

M. L. Kerr

Pavement Markings

Certified By: TDOT

Kiddway Construction

P.O. Box 80210, 1314 5th Avenue North
Nashville, Tennessee 37208

(615) 256-6144

C.P. Kiddway

Aggregate construction, concrete, earthwork,
general contracting, and incidental

Certified By: TDOT

K S Ware & Associates, Inc., LLC

54 Lindsley Avenue
Nashville, Tennessee 37210-2039

(615) 773-7125, (615) 742-7476

Kathryn Ware

Geotechnical engineering soil analysis materials
testing and environmental consulting,
construction stakes, lines and grades line item
105M01 and information technology applications

Certified By: TDOT

Landau Landscaping

3208 Vailview Drive
Nashville, Tennessee 37207

(615) 262-2270

George Alexander

Landscaping

Certified By: TDOT

L & G Construction Co., Inc.

2614 Hart Street
Nashville, Tennessee 37207

(615) 227-1775

Shirley Arnold

Concrete: curb, gutter, driveways, sidewalks,
sewer, grading, utility construction, excavation
and hauling

Certified By: TDOT

Logan Patri Engineering, Inc.
2312-A Kline Avenue
Nashville, Tennessee 37211

(615) 726-2902 (615) 726-4990

Narasimha Rao Patri

Consulting and structural engineering

Certified By: TDOT

Martha Stinson Public Relation
2606 Westwood Avenue
Nashville, Tennessee 37212

(615) 385-3890

Martha Stinson

Public relations, marketing, communications
brochures and event management

Certified By: TDOT

Martin Kidd Associates
3200 West End Avenue, Suite 500
Nashville, Tennessee 37203

(615) 783-1626

Yvonne Martin-Kidd

Advertising/Public relations, banking, and
marketing consulting

Certified By: TDOT

Mayes Masonry Company
530 Veritas Street
Nashville, Tennessee 37211

(615) 833-5565

Augusta Mayes

Masonry

Certified By: None

McAlco Construction, Inc.
P.O. Box 210702
Nashville, Tennessee 37221

(615) 373-8646

Tracy McAlister

Inlets, catch basins, manholes, curbs, concrete
paving, and gutters

Certified By: TDOT

McFall Sod and Seed
340 Driel Avenue
Nashville, Tennessee 37210

(615) 832-3839

Jackie McFall

Seeding and sodding

Certified By: TDOT

McKibbens Maintenance Repair
4804 Indian Summer Drive
Nashville, Tennessee 37207

(615) 292-9150

Kerry A. McKibbens

General contracting roofing, painting, electrical
work
and home renovations

Certified By: TDOT

McKissack & McKissack Architect
2014 Broadway, Suite 260
Nashville, Tennessee 37203

(615) 327-0455

Leatrice McKissack

Architect and engineering, planning design and construction

Certified By: TDOT

M.G. and Associates
P.O. Box 121647
Nashville, Tennessee 37212

(615) 329-4455

Melvin Gill

Engineering services

Certified By: OMBE

Mid-South Materials Co.
310 Madison Street
Madison, Tennessee 37115

(615) 868-7113

Ralph E. White

Industrial building materials and supplies

Certified By: OMBE

Milam Enterprises, Inc.
P.O. Box 111513
Nashville, Tennessee 37211

(615) 352-3466 or 377-6681

Edgar Milam

Trucking, guardrail and other highway developments

Certified By: None

Minorico Supply Co., Inc.
P.O. Box 80360
Nashville, Tennessee 37208

(615) 255-5570, (800) 786-1064

Joseph T. Owner

Supplier of industrial, electrical, uniform & office products

Certified By: TDOT

Mitchell and Everett Construction
401 Moss Creek Court
Nashville, Tennessee 37221

(615) 662-8397

Tony Everett, Anetra Mitchell

Painting and sandblasting

Certified By: TDOT

M.K.L.A.V. Inc. DBA Parker Construction
315 10th Ave., N., Suite 128
Nashville, Tennessee 37203

(615) 255-1633

Maquel H. Parker

General contracting, concrete, reinforcing steel, steel erection and roofing, architectural/eng. services

Certified By: TDOT

Modern Day Wrecking
2620 Walker Lane
Nashville, Tennessee 37207

(615) 650-7505

Douglas Williams

Demolition and excavation

Certified By: TDOT

Morgan & Morgan, Inc.
1812 Pearl Street
Nashville, Tennessee 37203

(615) 329-1797

George Morgan

Consulting architectural, environmental,
planning,
inspection and studies

Certified By: TDOT

Music, Inc.
1012 17th Avenue, South
Nashville, Tennessee 37212

(615) 327-4369

Sherytha Scaife

Manufacturer: Music recording

Certified By: OMBE

Music City Office Supply House
230 Great Circle Road
Nashville, Tennessee 37204

(615) 269-0395

Joseph Jackson

Customer services, telecommunications

Certified By: OMBE

Mutual Contractors, LLC
1001 14th Avenue South
Nashville, Tennessee 37212

(615) 319-6491

Janet Shands

General construction

Certified By: TDOT

Office At Home Enterprises, Inc.
5504 S. Stanford Drive
Nashville, Tennessee 37215

(615) 665-0258

Denise B. Gore

Office products and services

Certified By: OMBE

Panther Construction Co., Inc.
2120 Gains Street
Nashville, Tennessee 37207

(615) 227-9747

James & Ladevia Davis

Building restoration, waterproofing, stucco and
exterior thermal systems

Certified By: TDOT

Planning, Design & Research, Inc.
200 Lindell Avenue
Nashville, Tennessee 37203

(615) 298-2065

Ak Upadhyaya

Engineering, environmental, hydrology,
geotechnical, soils analysis, planning, inspection,
studies, and materials testing

Certified By: TDOT

Preventive Maintenance Co., Inc.
Box 291806
Nashville, Tennessee 37229-1806

(615) 365-7474

Edward Garner

Clearing, grubbing, landscaping, sodding, and seeding

Certified By: TDOT

Professional Touch Landscaping and Excavating
107 Music City Circle, Suite 300
Nashville, Tennessee 37214

(615) 885-2242

Gerald Beard

Landscaping, sodding and seeding, clearing and grubbing

Certified By: TDOT

R.B. Jr.'s Hauling Service
1249 Massman Drive
Nashville, Tennessee 37217

(615) 366-6109

Robert Blackman, Jr.

Trucking and hauling

Certified By: OMBE

Reginald Ewing Trucking Co.
3906 Crouch Drive
Nashville, Tennessee 37207

(615) 923-9663 - (615) 876-3722

Reginald Ewing

Trucking and hauling

Certified By: TDOT

RJ Abstract and Translation Services
6453 Thunderbird Drive
Nashville, Tennessee 37209

(615) 356-7091

Ricardo Colon Jennifer Colon

Titles searches for residential and commercial properties and translation from English to Spanish

Certified By: TDOT

Robertson Electrical Company
1618 Buchanan Street
Nashville, Tennessee 37208

(615) 256-0692

D. J. Robertson

Electrical

Certified By: None

Robin Construction Services, Inc.
211 Donelson Pike
Nashville, Tennessee 37214

(615) 742-3919

Robin Fuller

Concrete construction and flooring

Certified By: TDOT

Roe Construction Company
950 Maxwell Avenue
Nashville, Tennessee 37206

(615) 227-0263

Rufus Evans

Residential rehab

Certified By: None

SEJ Cement Finishing, Inc.
763 Lynwood Avenue
Nashville, Tennessee 37203

(615) 242-9878

Searcy McClain

Paving, curbs and gutters, slabs

Certified By: OMBE

Sherrick Construction Inc.
P.O. Box 291685
Nashville, Tennessee 37229

(615) 872-1050

Paul Sherrick

Commercial, industrial and residential
construction

Certified By: TDOT

Southeast Power and Equipment, Inc.
1967 Nolensville Road, P.O. Box 101416
Nashville, Tennessee 37211

(615) 256-8445

Joyce Jackson

Heavy equipment sales and services

Certified By: OMBE

Stones River Electric, Inc.
P.O. Box 100965
510 Cave Road
Nashville, Tennessee 37224

(615) 885-0019

Jami Wilson

Lighting and traffic control

Certified By: TDOT

Superior Systems
100 Rock Street
Nashville, Tennessee 37207

(615) 226-6140

Richard H. Earring

Installation systems, caulking waterproofing,
building restoration, water treatment facilities

Certified By: OMBE

Swann and Company
3712-B Nolensville Road
Nashville, Tennessee 37211

(615) 315-0948

Martha S. Murphy

Manufactures signs

Certified By: OMBE

Tennessee Equipment Sales & Installation
924 South Douglas
Nashville, Tennessee 37204

(615) 463-8711

Tina Hill

Installation of athletic equipment, lockers and
bleachers

Certified By: TDOT

T G, Inc.
Main Street
Nashville, Tennessee 37206

(615) 620-5100

Tracy Hammonds

Sale of office and industrial supplies

Certified By: TDOT

The Renick Company, LLC
2905 Harbor View Drive
Nashville, Tennessee 37217

(615) 360-8458

Glenda Renick

Construction and interior design

Certified By: TDOT

Thompson Landscaping & Excavating
4701 Lebanon Road, F-152
Hermitage, Tennessee 37076

(615) 872-0530

Charles Thompson

Landscaping

Certified By: None

Thornton & Associates
1205 S. Graycroft Ave.
Nashville, Tennessee 37115-5130

(615) 865-1913

Erly Thornton

Surveying and inspection

Certified By: TDOT

TRC International, Ltd.
1657 Murfreesboro Road, Suite C
Nashville, Tennessee 37217

(615) 360-2126

Surendra Ramanna

Engineering

Certified By: TDOT

Trice Transportation
2169 Riverway Drive
Old Hickory, Tennessee 37188

(615) 847-9395

John Trice

Trucking and hauling

Certified By: TDOT

Two Rivers Consultants
2202 Grant Land Avenue
Nashville, Tennessee 37204

(615) 292-3817

Susan E. Perlman

Environmental consulting, specializing in
ethnographic and historic studies

Certified By: TDOT

Williams-Russell and Johnson
220 Athens Way, Plaza One, Suite 450
Nashville, Tennessee 37228

(615) 254-2170

Ernest Brown

Engineering services

Certified By: OMBE

William Smith & Son Contractors
3213 Wilmoth Court
Nashville, Tennessee 37207

(615) 226-3315

Terry Ezell

General contractor, municipal water and sewer
line, residential - rehab - commercial

Certified By: OMBE

Wilmot & Associates, Inc.
3654 Knollwood Road
Nashville, Tennessee 37215

(615) 297-0478

Tiffany Wilmot

Waste management and prevention

Certified By: TDOT

Zycron Computer Services, Inc.
2620 Clarksville Pike
Nashville, Tennessee 37208

(615) 251-9588

Darrell S. Freeman

Computer technology and consultation

Certified By: TDOT

DICKSON COUNTY

Ameri-Clean
1313 Allen Road, P.O. Box 97
Burns, Tennessee 37029

(615) 446-0350

Julie Gopperton

Commercial, industrial and residential pressure
washing and painting, truck wash terminal

Certified by: None

Specialized Communications
103 Forrest Hills Circle
Dickson, Tennessee 37055

(615) 740-1200

Elizabeth A. Hall

Provide and install testing of fiber optic
equipment

Certified By: TDOT

TN Precision Machine Co., Inc.
P.O. Box 393
Dickson, Tennessee 37056

(615) 226-4816

Pam Collins

Concrete Paving

Certified By: TDOT

DYER COUNTY

American Building Contractors
1101 Hornbrook St.
Dyersburg, Tennessee 38024

(731) 286-2520

Charles McCright

Painting and texture coating

Certified By: TDOT

Debra H. Campbell
P.O. Box 1050
Dyersburg, Tennessee 38025

(731) 285-6567

Debra H. Campbell

Housing rehabilitation

Certified By: None

H & B Painting & Construction Co.
Route 5, Box 551
Dyersburg, Tennessee 38024

(731) 587-9889

Mr. Harlan

Painting drywall, texture coating of bridges,
guard rail installation and landscaping

Certified By: None

J. L. Hart
Highway 20 West, Box 1021
Dyersburg, Tennessee 38025

(731) 285-1065

J. L. Hart

Landscaping, yard sowing, yard grading, dirt
and gravel hauling, site grading, light dozer
work and backhoe work

Certified By: TDOT

FAYETTE COUNTY

Clayton Contracting Company
5710 Highway 57
Rossville, Tennessee 38066

(901) 759-1193

Peggy Clayton

Concrete flatwork, building moving, demolition,
clearing and grubbing, fence, guardrail, joint
sawing, sealing, pavement patching, erosion
control

Certified By: TDOT

Heritage Landscaping Company
203 W. Marginal St.
Somerville, Tennessee 38068

(901) 465-7104

Tracy Lindsey

Landscaping, sodding and seeding

Certified By: TDOT

GIBSON COUNTY

Cultra Turf Specialist, Inc.
1400 McKnight Street
Humboldt, Tennessee 38343

(731) 824-4763

Judith Cultura

Landscaping, erosion control, sodding and
seeding

Certified By: TDOT

J & N Construction

208 State Rt. 187
Milan, Tennessee 38358

(731) 686-8279 - (731) 686-7726

Robert Jenkins

Excavation

Certified By: TDOT

Payne Steel Erectors, Inc.

P.O. Box 247
Kenton, Tennessee 38233

(731) 749-7991

Geoffrey Payne

Hauling, concrete flatwork and painting

Certified By: TDOT

Plastics and Rubber Products

44 Otha Holt Road
Milan, Tennessee 38358

(901) 686-9004

Yolanda K. Woods

Sales of plastic and rubber products

Certified By: TDOT

Smith's Excavating Service, Inc.

488 Gibson Wells Road
Humboldt, Tennessee 38343

(731) 784-8700

Scarlett Smith

Excavation, building terraces, ponds and lakes

Certified By: TDOT

WMC Contracting Co., Inc.

1142 S. High Street, P.O. Box 85
Trenton, Tennessee 38382

(731) 855-1491

Dennis Garcia

Concrete (driveways, sidewalks, curb, gutter,
catch basins, inlets)

Certified By: TDOT

GILES COUNTY**S & S Backhoe & Dozer Construction Co.**

241 B Greenfield Road
Prospect, Tennessee 38477

(931) 424-5723

Taft Smith

Excavation, embankments, catch basins,
culverts, clearing and grubbing

Certified By: TDOT

GRAINGER COUNTY**Edd's Construction Co., Inc.**

Box 107-B
Blaine, Tennessee 37709

(865) 933-4912

Edward Ray Howell, Jr.

Building and road construction and maintenance

Certified By: None

GREENE COUNTY**M. V. Contractors**

5606 Horton Hwy.
Greeneville, Tennessee 37745

(423) 234-0229

Margaret Vuillemier

Trucking, hauling, clearing and grubbing,
excavation and roadway grading

Certified By: TDOT

Securities Service Network

129 W. Depot Street, Suite 3
Greeneville, Tennessee 37743

(423) 787-9333

Judy Walton

Selling, installing and servicing employee
benefits for business and industry. Retirement,
health, personal financial investing, life
insurance, workers comp., section 125 plans,
long/short term disability plans

Certified By: TDOT

Sprague & Sprague Engineers

P.O. Box 9292
Greeneville, Tennessee 37743

(615) 299-5393

Gaye Sprague

Traffic engineering, transportation planning and
geosynthetic engineering

Certified By: TDOT

GRUNDY COUNTY**A-Tech Services Corporation**

P.O. Box 3551
Hixson, Tennessee 37404

(423) 344-1888

Cleophus Heard

Heating and air conditioning

Certified By: TDOT

Haynes Erosion Control

Box 81
Pelham, Tennessee 37366

(931) 467-3487

Martha L. Haynes

Erosion control, fence and guardrail

Certified By: TDOT

HAMBLETON COUNTY**Jones Concrete Construction**

303 East Louise Avenue
Morristown, Tennessee 37814

(423) 586-9594

Kenneth Jones

Concrete construction

Certified By: None

Magnum Construction
P.O. Box 81
Talbott, Tennessee 37877

(865) 475-4020

Judy Tallent

Road construction

Certified By: None

Mills Construction Co.
1176 Tair Road
Talbott, Tennessee 37877

(865) 475-8686

Carl Mills

General contractor

Certified By: None

Mills Landscaping
3557 Falcon Road
Morristown, Tennessee 37814

(423) 581-0681

Ruth A. Mills

Landscaping, clearing, grubbing and erosion control

Certified By: TDOT

Rucker Masonry
1534 Goodson Avenue
Morristown, Tennessee 37814

(423) 586-0619

Charles Rucker

Masonry

Certified By: None

HAMILTON COUNTY

Alert Plumbing & Heating
2201 Shepherd Road
Chattanooga, Tennessee 37421

(423) 267-7320

Alvin Thomas

Plumbing/mechanical contractor

Certified By: OMBE

Anne M. Wilkins Co., CPA
6918 Shallowford Road, Suite 201
Chattanooga, Tennessee 37422-3234

(423) 899-2298

Accounting services

Certified By: OMBE

APCO Construction Company
912 M. Orchard Knob Avenue
Chattanooga, Tennessee 37406

(423) 698-0961

Herbert Wright

Residential - rehab, commercial

Certified By: None

Arun Wagh, Inc.
8299 Beaverwood Drive
Germantown, Tennessee 38138

(901) 755-3230

Arun Wagh

Engineering, environmental, hydrology, geotechnical, soils analysis, materials testing and consulting

Certified By: TDOT

Ball Construction Company, Inc.
2311 Benton Avenue
Chattanooga, Tennessee 37406

(423) 624-1475

James A. Ball

General contractor

Certified By: OMBE

Bentco Office Solutions
100 Cherokee Blvd., Suite 217
Chattanooga, Tennessee 37405

(423) 756-4437

Edward Bentley

Office equipment: furniture supplies and
ergonomic work equipment

Certified By: TDOT

Bluett Plumbing
6011 Walden Avenue
Chattanooga, Tennessee 37421

(423) 894-9716

John Bluett

Plumbing contractor

Certified By: None

BMG Specialties
P.O. Box 9167
Chattanooga, Tennessee 37412

(423) 899-9400

Bonnie Gilreath

Construction materials supplier and other
specialty items

Certified By: TDOT

Brackett Construction Services
214 Frawley Road
East Ridge, Tennessee 37412

(423) 892-4780

Dixon Brackett

Design surveying, construction surveying, and
field engineering

Certified By: None

Buonocore Trucking
112 Joyce Avenue
Chattanooga, Tennessee 37415

(423) 364-7508

Patricia Buonocore

Trucking and hauling

Certified By: TDOT

Choo-Choo Pack
7436 Hamilton Run Drive
Chattanooga, Tennessee 37421

(423) 855-1939

Juanita Barbee

Distributor of containers

Certified By: OMBE

Clay Construction Company
4616 Leslie Lane
Chattanooga, Tennessee 37415

(423) 629-1024

James Clay

General construction

Certified By: OMBE

Dayrel's A/C Heating
102 Morningside Drive
Chattanooga, Tennessee 37404

(423) 624-9998

Dayrel Moore

A/C Refrigeration and HVAC Heating

Certified By: TDOT

Design ALternatives
9990 Cottage Creek Lane
Apison, Tennessee 37302

(423) 236-4846

Rebecca Sparks

Painting and wall covering; flooring, tile and
terrazzo contractor; other specialized design
services

Certified By: TDOT

Diversified Supply
1150 Latta Street
Chattanooga, Tennessee 37406

(423) 698-1551

Dan Anderson

Commercial and industrial electrical supplies

Certified By: TDOT

Fletcher Books
5968A Brainerd Road
Chattanooga, Tennessee 37421

(423) 894-4411

Doris M. Fletcher

Retail Sales

Certified By: None

G & H Steel Erection Co.
P.O. Box 22722
Chattanooga, Tennessee 37422

(423) 892-3861

Archie Griffin

Steel erection

Certified By: TDOT

Hanner Construction Company
5117 Lantana Lane
Chattanooga, Tennessee 37416

(423) 499-0080

Jerry Hanner

Concrete construction, manholes and driveways

Certified By: TDOT

Herman Grant Company, Inc.
1100 Ashemore Avenue, P.O. Box 15006
Chattanooga, Tennessee 37415

(423) 266-6138

Paula Grant

Highway construction

Certified By: TDOT

Infinite Construction
708 Woodmore Lane
Chattanooga, Tennessee 37411

(423) 320-4251

Rginald Jordon

Residential construction and rehabilitation

Certified By: None

J.B. Transportation Services
2912 South Hickory
Chattanooga, Tennessee 37404

(423) 624-0959

Janie Burns

Freight hauling, tractor/trailer repair

Certified By: None

J.R. Seymore Construction Company
2203 Gilbert Street
Chattanooga, Tennessee 37406

(423) 698-1872

J.R. Seymore

Residential - rehab

Certified By: None

James Agnew Contractor, Inc.
439 Manufacturers Road
Chattanooga, Tennessee 37405

(423) 266-7268

Martha A. Hicks

Grading contractors - heavy equipment and
hauling

Certified By: None

James Smith Construction Company
1815 Shephard Road
Chattanooga, Tennessee 37410

(423) 629-4014

James Smith

Concrete construction

Certified By: None

Jenkins Enterprises
1937 East 34th Street
Chattanooga, Tennessee 37407

(423) 624-5906

Eric Jenkins

General contractor - residential

Certified By: None

K & E Trucking Inc.
4295 Cromwell Road, Box 23966
Chattanooga, Tennessee 37422

(423) 894-6430

Donna K. Mullins

Trucking and hauling

Certified By: TDOT

Kreative Touche Landscaping
32 Paulmar Drive
Chattanooga, Tennessee 37415

(423) 595-5450

Reuben Mitchell

Lawn care and landscaping and authorized
dealer of Ever mulch

Certified By: TDOT

Lewis C & O Construction Company
1403 Wisdom
Chattanooga, Tennessee 37406

(423) 622-7709

James Lewis

General contractor - residential

Certified By: None

Mandrill Corp. Inc.
P.O. Box 11221
Chattanooga, Tennessee 37401

(423) 876-9734

James Mathis

Demolition and site preparation

Certified By: TDOT

Mosely Construction Company
1710 Newton Street
Chattanooga, Tennessee 37406

(423) 629-6396

Eules Mosley

General contractor - residential

Certified By: None

Ocie Brown & Son Plumbing Company
4921 Swan Road
Chattanooga, Tennessee 37416

(423) 894-4866

Ocie Brown

Plumbing contractor

Certified By: None

Phillips Plumbing Company
507 Mealo Drive
Chattanooga, Tennessee 37411

(423) 698-0561

Jessie Phillips

Plumbing contractor

Certified By: None

PLT Construction Company, Inc.
7626 Dayton Pike
Chattanooga, Tennessee 37343

(423) 842-8892

Patricia Thomas

Concrete finishing, trucking

Certified By: TDOT

Professional Cleaning Services
3100 Wood Avenue
Chattanooga, Tennessee 37406

(423) 624-0871

Deborah T. Croft

Professional commercial janitorial services

Certified By: TDOT

Professional Concrete Finishing Co., Inc.
Box 1565
Soddy Daisy, Tennessee 37384

(423) 267-4074

Ivan Toney, Jr.

Concrete work

Certified By: TDOT

Robbs Electric
5201 Central Avenue
Chattanooga, Tennessee 37410

(423) 821-8815

Herbert Robbs

Electrical

Certified By: OMBE

Shrop Construction Company

3605 Rogers Road
Chattanooga, Tennessee 37411

(423) 622-2539

James Shropshire

Concrete flatwork, driveways and sidewalks and
building construction

Certified By: TDOT

Signal Design Group

2525 Broad Street, Suite 101
Chattanooga, Tennessee 37408

(423) 265-4400

Ann Weeks

Interior Design

Certified By: OMBE

S. J. Thomas Incorporated

8047 Dayton Boulevard
Chattanooga, Tennessee 37343

(423) 842-1041

Shirley Thomas

Fencing and guard railing, concrete paving

Certified By: TDOT

Thomas & Thomas, Inc.

1108 Moss Drive
Chattanooga, Tennessee 37411

(423) 622-6623

Daniel Thomas

Plumbing

Certified By: OMBE

Vantage Point Consulting

1915 East 25th Street Place
Chattanooga, Tennessee 37407

(423) 624-9475

Renee Smith

Consulting, management information, process,
design and training

Certified By: TDOT

Vasco Electric, Inc.

702 Woods Avenue
Chattanooga, Tennessee 37411

(423) 622-2708

Vasco Jones

Electrical contractor

Certified By: OMBE

Vega Corporation of TN

P.O. Box 11126
Chattanooga, Tennessee 37401

(423) 266-8876

Lou Garcia

General contractor

Certified By: TDOT

HARDEMAN COUNTY

Hayes Herron

Route 3, Box 388
Bolivar, Tennessee 38008

(731) 658-3321

Hayes Herron

Housing rehabilitation, brick work, plumbing,
roofing

Certified By: None

Pirtle Paving Company

Route 1, P.O. Box 64
Toone, Tennessee 38381

(731) 658-3790

Willie Pirtle

Asphalt paving and incidental work thereto

Certified By: None

HARDIN COUNTY

Burdine Construction Company

215 Vernon Road
Morris Chapel, Tennessee 38361

(731) 687-3402

Prentis Burdine

Trucking and hauling, aggregate construction,
earthwork, concrete

Certified By: TDOT

Damron Trucking

645 Damron Loop
Counce, Tennessee 38326

(731) 689-3877

Lee Damron

Hauling rock, gravel, asphalt

Certified By: TDOT

Pickwick Construction Company

P.O. Box 253
Counce, Tennessee 38326

(731) 689-3020

Charles Irons

General construction

Certified By: TDOT

HAWKINS COUNTY

RMK Construction Company

Box 337
Rogersville, Tennessee 37857

(423) 272-5426

Rebecca George

Steel erection, pavement marking, flatwork
excavation

Certified By: TDOT

HAYWOOD COUNTY

Jones Paving Company

2422 Scrub Oak Road
Stanton, Tennessee 38069

(731) 294-2611

Richard Jones

Paving, trucking, hauling, asphalt and dozer

Certified By: TDOT

Taylor's Construction

1103 Devonne Street
Brownsville, Tennessee 38012

(731) 772-2191

Construction and engineering

Certified By: None

HENRY COUNTY

J.R. Hayes Construction Co., Inc.

2525 Highway South
Paris, Tennessee 38242

(731) 642-4704

Leisha Reynolds

Concrete flatwork, trucking and paving

Certified By: TDOT

Ray Enterprises

P.O. Box 205
Puryear, Tennessee 38251

(731) 247-5198

Sarah L. Ray

Construction

Certified By: TDOT

L. I. Smith & Associates

302 North Caldwell
Paris, Tennessee 38242

(731) 644-1014

Lucile D. Smith, R.L.S.

Land surveying and engineering

Certified By: TDOT

HUMPHREYS COUNTY

Earthmoving Engineers

Route 2, Box 186
Waverly, Tennessee 37185

(931) 296-2410

Wesley Ridgeway

Construction

Certified By: None

JACKSON COUNTY

W and W Construction Company

Route 1, Box 187C
Bloomington Springs, Tennessee 38545

(931) 526-9120

Henry Wood

General contractor, municipal sewer and water
lines, roads and bridges

Certified By: OMBE

JOHNSON COUNTY

Watauga Whitewater Paving

Route 1, Box 250, 9th Street
Watauga, Tennessee

(423) 929-8409

Patricia Archie

Paving contractor

Certified By: None

KNOX COUNTY

Alpine Construction Co.

1820 Azrock Drive
Knoxville, Tennessee 37914-8007

(865) 637-1107

Charlie W. Elder

General, residential & industrial contracting and
painting

Certified By: TDOT

Anderson Cement Contractor

1211 Dailey, S.E.
Knoxville, Tennessee 37915

(865) 637-0380

Isaac Anderson

Contractor

Certified By: None

Best Service Group, Inc.

4760 Western Ave., P.O. Box 50938
Knoxville, Tennessee 37950

(865) 584-1111

Theresa Stubblefield

Commercial/Public and private fencing

Certified By: TDOT

Boyzie Turner Wrecking Company

1924 Leslie Street
Knoxville, Tennessee 37921

(865) 522-7902

Boyzie Turner

Contractor

Certified By: None

Business Dynamics

411 Gay Street, Box 6748
Knoxville, Tennessee 37914

(865) 546-7245

Carolyn Rice

General contractors - asphalt paving, trucking,
sidewalks, hauling, concrete work, excavation,
road and bridge construction

Certified By: TDOT

C. D. Truck Service

4416 Plymouth
Knoxville, Tennessee 37914

(865) 521-7892

Cleveland Drummond

Trucking business

Certified By: None

CGS, Inc.

P.O. Box 22310
Knoxville, Tennessee 37922

(865) 988-9080

Joy G. McCabe

Underground sanitary sewer and gas, supplier of
pipeline products and other natural gases

Certified By: TDOT

Cherokee Porcelain Enamel Corporation

2717 Independence Lane
Knoxville, Tennessee 37914

(865) 637-7833

Vicki Corum

Manufacturing of porcelain enamel over steel,
porcelain signage

Certified By: TDOT

City Wide Electric Company

Box 14458
Knoxville, Tennessee 37914

(865) 546-7238

Richard Woods

Electrical contracting

Certified By: TDOT

Colbar, Inc.

P.O. Box 51946
Knoxville, Tennessee 37901

(865) 584-8618

A. B. Coleman

Sale of building materials, general contracting
and service contracts

Certified By: TDOT

Community Health Care Clinic

1601 Western Avenue
Knoxville, Tennessee 37921

(865) 546-5177

Health care testing diagnosis and treatment

Certified By: TDOT

Compcare Consulting Services

P.O. Box 12616
Knoxville, Tennessee 37912

(865) 687-0008

Lesi K. McQueeney

Medical consulting/medical case management

Certified By: TDOT

Dinkins Environmental

7103 Bayless Lane
Powell, Tennessee 37849

(865) 947-2213

Barbara Dinkins

Biological laboratory

Certified By: None

East Tennessee Geosynthetics

1321 Greenwell Drive
Knoxville, Tennessee 37938

(865) 938-7157

Peggy Plauger

Sales and solicitation of geosynthetic and
erosion control materials

Certified By: TDOT

**East Tennessee Mechanical Contractors,
Inc.**

109 Bertrand Street
Knoxville, Tennessee 37917

(865) 522-6108

Mark Deathridge

Concrete, earthwork, general contracting

Certified By: TDOT

Environmental Safety & Health, Inc.

10732 Dutchtown Road
Knoxville, Tennessee 37932

(865) 671-2374

William Garibay

Environmental safety, industrial hygiene,
building inspections for asbestos, OSHA and
certified environmental trainer

Certified By: TDOT

Gaiter General Contractors, Inc.

P.O. Box 14005
Knoxville, Tennessee 37927

(865) 524-4944

Felix R. Gaiter

Commercial and residential contractor

Certified By: None

Giosah, Inc.

P.O. Box 31111
Knoxville, Tennessee 37930

(865) 583-3226

Lechelle Davenport

Engineering and environmental management

Certified By: TDOT

Greater TN Linoleum & Tile

222 Baxter Avenue
Knoxville, Tennessee 37921

(865) 522-0606

Beulah Hall

Commercial and residential supplier and installer
of linoleum and tile

Certified By: None

Hall Communications, Inc.

1515 East Magnolia Ave., Suite 301
Knoxville, Tennessee 37917

(865) 521-6500, (865) 521-6508

Frances W. Hall

Community relations, marketing, support
services, construction management

Certified By: TDOT

Horizon Environmental
211 Sherrod Road
Knoxville, Tennessee 37920

(865) 577-6597

Cynthia McIvaine

Environmental consulting

Certified By: TDOT

Huskey Aluminum Co.
5322 N. Broadway
Knoxville, Tennessee 37918

(865) 688-7657

Claudia Huskey

Storm windows, screens, general remodeling

Certified By: None

Ivnes Construction Company
5130 Dewine Circle
Knoxville, Tennessee 37821

(865) 588-9538

Leon Ivnes

Roofing work, concrete work, masonry, stone setting Market area, within 1,000 miles

Certified By: OMBE

James Technical Services
P.O. Box 11041
Knoxville, Tennessee 37919

(865) 450-9629

William B. James

Supplier: Technical repair, maintenance, sales (office equipment products, pc printers, facsimile machines, table top)

Certified By: TDOT

Johnson Concrete Construction Co.
6316 Ridge Rock Road
Knoxville, Tennessee 37919

(865) 588-6045

Robert Johnson

Concrete work - Market area, within 30 miles

Certified By: None

Jordan Insurance Group
2918 Magnolia Avenue, Suite 204
Knoxville, Tennessee 37914

(865) 637-8796

John Jordan

Auto, home, renters, life, health, dental, workers compensation, general and commercial liability insurance. Bonding and retirement plans

Certified By: TDOT

Knoxville Office Supply
925 Central Avenue, N.W.
Knoxville, Tennessee 37917

(865) 525-7345

Jesse Farmer

Supply and sales of office supplies public and corporate

Certified By: TDOT

Lane Hauling & Excavating, Inc.
P.O. Box 127
Mascot, Tennessee 37806

(865) 933-5263

Debra Young

Aggregate construction, earthwork, trucking and hauling

Certified By: TDOT

Linda A. Mosch Consulting Inc.
509 Sundown Road
Knoxville, Tennessee 37922

(865) 777-2025

Linda A. Mosch

Transportation planning/engineering, traffic analysis

Certified By: TDOT

Lones, Inc.
P.O. Box 23191
Knoxville, Tennessee 37933

(865) 966-2459

Racheal A. Lones

General contractor, municipal sewer and water lines, streets and curbs

Certified By: None

Martella Associates, Inc.
503 Market Street
Knoxville, Tennessee 37902

(865) 525-2556

Jennifer Martella

Architecture, interiors, planning and landscaping

Certified By: TDOT

National Security Services
1519 Dutch Valley Road
Knoxville, Tennessee 37918

1-(877) 687-0534

Charlie Mize

Security

Certified By: TDOT

Neat Idea
9724 Kingston Pike, Suite 505C
Knoxville, Tennessee 37922

(865) 694-0025

Curtis Webb

Computer support software, design software, training and web page design

Certified By: TDOT

Northeast Knox Sheet Metal & Roofing Co., Inc.
P.O. Box 6157
Knoxville, Tennessee 37914

(865) 687-1161

Carol Webber

Commercial contractor

Certified By: None

P. Smith
4222 Asheville Highway
Holston Center
Knoxville, Tennessee 37914

(865) 637-7336

Patti Smith

Sign and displays

Certified By: None

Patrick's Trucking Company
1747 E. Old Topside
Louisville, Tennessee 37777-5039

(865) 681-3552

George E. Patrick

Trucking and hauling and excavation

Certified By: TDOT

Pioneer Builders, Inc.
2918 Magnolia Avenue
Knoxville, Tennessee 37914

(865) 329-9958

Albert Beasley

General contracting commercial and private
building, guardrail, excavating

Certified By: TDOT

Planet, Inc.
920 N. Front Avenue
Rockwood, Tennessee 37854

(865) 354-0605

Janet M. Manuel

Commercial Painting and Sandblasting

Certified By: TDOT

Pozzolan Contracting Supply Co., Inc.
2401 Asbury Road
Knoxville, Tennessee 37914

(865) 546-7676

Anna Cantrell

Subgrade stabilization; highway and street
construction; supplier of lime, quicklime, flyash,
cement and etc.

Certified By: TDOT

R & J General Contractor
P.O. Box 6115
Knoxville, Tennessee 37914

(865) 525-4223

Mr. A. Jones

General contractor, commercial building and
housing rehab

Certified By: None

Randolph Trucking Co.
1808 Holston River Road
Knoxville, Tennessee 37914

(865) 523-4241

Margie Randolph

Truck hauling, excavation

Certified By: TDOT

R. W. Medical Supplies
3202 Middlebrook Pk.
Knoxville, Tennessee 37921

(865) 522-9192

Reene Wilhoit

Medical supplies and safety equipment

Certified By: None

Samico Professional Service
P.O. Box 1248
Powell, Tennessee 37849

(865) 938-0208

Shelia R. Hijer

Staff augmentation, engineering locator svc.,
drafting and design support

Certified By: TDOT

Schematic Design

6500 Papermill Drive, Suite 203
Knoxville, Tennessee 37919

(865) 588-6996

Girish Thakkar

Civil engineering, site planning and inspection

Certified By: TDOT

Slyman Insurance Agency, Inc.

411 South Gay Street, Suite B
Knoxville, Tennessee 37902

(865) 525-7193

Susie Slyman

Insurance and bonds

Certified By: TDOT

Southeastern Constructors, LLC

109 Bertrand St., NE
Knoxville, Tennessee 37917

(865) 522-6108

Mark S. Deathridge

General contracting and underground storm
sewers, sanitary sewer and watermains

Certified By: TDOT

Technical Specialty Sales

P.O. Box 22713
Knoxville, Tennessee

(865) 588-5013

Edgar Johnson

Electrical supplies

Certified By: None

Tennessee Highway Supply & Service

3001 Blount Avenue
Knoxville, Tennessee 37920

(865) 609-2030

Felicia S. Carson

Guardrail, fence, pavement marking and
highway signs

Certified By: TDOT

The Partners Collaborative

123 Harriet Tubman Street
Knoxville, Tennessee 37915

(865) 329-0022

Vernon Patterson

Construction management

Certified By: TDOT

T & M Specialties Service & Supplies

P.O. Box 622
Powell, Tennessee 37849

(865) 686-3388

Karen Jarnigan

Supplier of metal lockers and toilet partitions

Certified By: None

VRF Construction Co.

1712 Sterchi Street
P.O. Box 4192
Knoxville, Tennessee

(865) 521-7715

Lersa L. Davis

General construction, asbestos removal

Certified By: None

Vineyard Floor Covering Co.
1127 Broadway
Knoxville, Tennessee 37917

(865) 525-9492

Karen Wright

Sales and installation of commercial or
residential floor covering

Certified By: None

**Volunteer Highway & Supply Company,
Inc.**

P.O. Box 5658
Knoxville, Tennessee 37938

(865) 922-7473

Sherlene C. Hibben

Sales and installation of highway guardrail and
road striping

Certified By: TDOT

Walter Thompson Excavating

2420 Webster Avenue
Knoxville, Tennessee

(865) 525-3723

Walter Thompson

Excavation, general hauling

Certified By: None

Woods Electrical Service

2630 Sunset Avenue
Knoxville, Tennessee 37914

(865) 546-7238

Richard Woods

Electrical contracting

Certified By: OMBE

LAUDERDALE COUNTY

Lattimore Trucking

P.O. Box 714
Route 4, Box 2480, Hwy. 19W
Ripley, Tennessee 38063

(731) 635-8398

William A. Lattimore

Trucking and hauling

Certified By: TDOT

Morris McCorkle

509 N. Wilson Street
Halls, Tennessee 38040

(731) 836-7200

Morris McCorkle

Housing rehabilitation

Certified By: None

LINCOLN COUNTY

Alaten Products

3013 Huntsville Hwy.
Fayetteville, Tennessee 37334

(931) 433-4330

Anne Bankston

Distribution and manufacturing of parts from
raw materials

Certified By: TDOT

Carter Safety Consultants, Inc.
23455 Lewisburg Highway
Fayetteville, Tennessee 37334

(931) 433-4321

Cliftena Carter

Training and development, human resources
occupational safety, risk management,
environmental cleaning, chemicals, brownfields
and hope VI

Certified By: TDOT

Lincoln Rock Products
P.O. Box 1137
Fayetteville, Tennessee 37334

(931) 433-7738

Teresa Reese

Aggregated production only

Certified By: TDOT

LOUDON COUNTY

Graves Trucking LLC
404 Thornton Drive
Lenoir City, Tennessee 37772

(865) 986-7180

Penny Graves

Trucking and hauling

Certified By: TDOT

Planet, Inc.
9227 Friendsville Road
Lenoir City, Tennessee 37772

(865) 986-9186

Janet M. Manuel

Commercial painting and sandblasting

Certified By: TDOT

MADISON COUNTY

Cole Construction Co.
2720 Old Medina Road
Jackson, Tennessee 38305-9436

(731) 424-8243

Bobby Cole

Road construction

Certified By: None

Cole Transports
84 Brenda Lane
Jackson, Tennessee 38301

(731) 422-4186

Willie Cole

Hauling rock, asphalt, sand, etc.

Certified By: TDOT

Construction Supply, Inc.
887 Airways Blvd.
Jackson, Tennessee 38301

(731) 424-9094

Bonnie Davidson

Sale and supply of construction supplies,
drainage products, traffic paint & pipe

Certified By: TDOT

Energy Innovation
135 Gates Street
Jackson, Tennessee 38302

(731) 427-8484

Lester Perry

Pavement markings, traffic control, road signs
inspection and petroleum products

Certified By: None

F & B Enterprise
23 Redleaf Place
Jackson, Tennessee 38305

(731) 424-1128 (731) 225-9126

Fredy Bowers

Public transportation: transportation of senior
citizens, welfare to work recipients, handicap
and low income workers

Certified By: TDOT

G.A.P. Transport
306 Hunterville Denmark Road
Denmark, Tennessee 38391

(731) 422-2415

George Pearson

Transport of people and materials

Certified By: TDOT

H & H Paramedical Services, Inc.
1408 N. Highland Avenue, Suite 300
Jackson, Tennessee 38301

(731) 427-4795

Melissa Hunt
David Hunt

On-site drug and alcohol screening and testing,
hair sampling testing, DOT physicals, PFT, EKG
and insurance exams

Certified By: TDOT

Hornsby Electric, Inc.
85 Miffin Road
Jackson, Tennessee 38301

(731) 423-0719

Sandra Hornsby

Electrical contracting

Certified By: TDOT

Miss. Paving & Construction
113 East McDowell Rd.
Jackson, Tennessee 38204

(731) 373-2900

Bruce Guyton

Clearing, landscaping

Certified By: TDOT

Phinnessee's Earthmoving

2480 Highway 18 South
Medon, Tennessee 38356

(731) 427-1461

Milton Phinnessee

Aggregate construction, earthwork, trucking and
hauling

Certified By: TDOT

Robert Adams Dozier Work

Route 7, Box 475
Jackson, Tennessee 38301

(731) 427-8766

Robert Adams

Bulldozing and excavating

Certified By: None

Robert Allen Trucking

475 Rochelle Road
Jackson, Tennessee 38301

(731) 427-8766

Robert Allen

Clearing, grubbing, trucking, hauling

Certified By: None

Surface Sealants, Inc.

210 Gordon Street
Jackson, Tennessee 38301

(731) 389-9650

Niki Blackmon

Placement of Reinforcing Steel

Certified By: TDOT

MARSHALL COUNTY**Bowden Construction Company**

2797 Verona Caney Road
Lewisburg, Tennessee 37091

(931) 359-5029

Judy Bowden

Construction riprap, excavation, retaining walls

Certified By: TDOT

MAURY COUNTY**Columbia Construction Co., Inc.**

P.O. Box 398
Columbia, Tennessee 38402

(931) 388-0586

Kim Willis

General contracting/construction

Certified By: TDOT

DataComm. Tek, Inc.

Post Office Box 1523
Columbia, Tennessee 38402-1523

(931) 388-4121

James Childress

Computer Service

Certified By: None

McFall Seed & Sod
2685 Hampshire Pike
Columbia, Tennessee 38401

(931) 381-3667

Jackie McFall

Landscaping, sodding, seeding, erosion control

Certified By: TDOT

MCMINN COUNTY

Farner Tunneling, Inc.
P.O. Box Drawer I
Etowah, Tennessee 37331

(423) 263-2797

Helen Farner

General contractor, municipal sewer and water
lines, road and bridges

Certified By: None

L. H. Mashburn Construction
2542 Sullins Road
Athens, Tennessee 37303

(423) 507-8801

Linda H. Mashburn

Trucking and hauling

Certified By: TDOT

MCNAIRY COUNTY

Lee Damron Trucking
Route 1
Counce, Tennessee 38326

(731) 689-3755

Lee Damron

Hauling rock, gravel, asphalt

Certified By: TDOT

MEIGS COUNTY

The E.M. Company, Inc.
Route 3, Box 148
Decatur, Tennessee 37322

(423) 334-9068

Edward Moore

General contractors

Certified By: None

MONTGOMERY COUNTY

Bellamy Excavation
319 North Second, Suite 1
Clarksville, Tennessee 37040

(931) 645-6302

Rosa Bellamy

Excavating and foundation work, wrecking and
demolition - Market area, within 50 miles

Certified By: OMBE

Bobby Outlaw Disposal

1243 Archwood Drive
Clarksville, Tennessee 37042

(931) 431-7944

Wendell Outlaw

Solid waste disposal

Certified By: TDOT

Ellis Electrical Contractors

417 Savannah Trace
Clarksville, Tennessee 37043

(931) 358-2040

Anthony D. Ellis

Electrical contracting

Certified By: TDOT

Grace Welding & Fabricating

943 Seven Mile Ferry Road
Clarksville, Tennessee 37040

(931) 206-2927

James G. Garcia

Structural steel erection contractors

Certified By: TDOT

Harris Trucking & Bulldozer Service

2630 Union Hall Road
Clarksville, Tennessee 37040

(931) 647-6958

Emery Harris

Trucking, hauling, excavation, embankment and
demolition

Certified By: TDOT

J. D. Trucking

451 High Point Road
Clarksville, Tennessee 37042

(931) 647-0830, (931) 552-5099

Janice Ferrell

Trucking and hauling

Certified By: TDOT

Lindy's Security Fence

2016 Ft. Campbell Road
Clarksville, Tennessee 37042

(931) 648-4037

Carolyn A. Kulback

Security fencing

Certified By: TDOT

Loss Control Services

1 Public Square, Suite 249
Clarksville, Tennessee

(931) 648-4610

Brenda Dodd

Employment and labor services

Certified By: OMBE

Means Trucking, LLC

1135 Palmyra Road
Clarksville, Tennessee 37040

(931) 320-0558

Allison Means

Trucking and hauling: supplier of aggregate and
dirt

Certified By: TDOT

OBION COUNTY

Cultra Turf Specialists, Inc.
1203 S. Ury Street
Union City, Tennessee 38261

(731) 885-4414

Judith Cultra

Landscaping, erosion control

Certified By: TDOT

Payne Steel Erectors
P.O. Box 247
Kenton, Tennessee 38233

(731) 749-7991

Geoffrey Payne

Concrete, flatwork, painting, truck hauling and
structures

Certified By: TDOT

POLK COUNTY

Thomason Company
Hwy. 64, P.O. Box 77
Ocoee, Tennessee 37361

(423) 338-7337

Judy Thomason

Clearing, grubbing, tree and brush removal

Certified By: TDOT

PUTNAM COUNTY

LPS Construction Company, Inc.
802 East 10th Street
Cookeville, Tennessee 38501

(931) 526-5245

Mary Franks Swain

Road and bridge construction, grading ,
drainage, concrete work

Certified By: None

Mar-Don Decorating Service
226 West Stevens Street
Suite D
Cookeville, Tennessee 38501

(931) 526-8453

Donna Flatt

Interior finishing for residential, commercial and
industrial structures

Certified By: None

RHEA COUNTY

Carder & Evans Trucking, Inc.
200 Hurst Lane
Dayton, Tennessee 37321

(423) 775-5892

Courtney Carder

Trucking and hauling

Certified By: TDOT

ROANE COUNTY**Cotham Construction Company**

P.O. Box 415
Harriman, Tennessee 37748

(865) 882-0581

Roy A. Cotham

General contractor, electrical and plumbing,
sales and service, residential wiring and repair

Certified By: OMBE

Eagles' Nest Construction

P.O. Box 1172
Harriman, Tennessee 37748

(865) 882-3232

Faylene Wolcott

Building construction, housing rehabilitation

Certified By: None

ROBERTSON COUNTY**Brown Builders, Inc.**

2807 Clinard Drive
Springfield, Tennessee 37172

(615) 384-5654

Sue Brown

Gravel, earthwork, underground

Certified By: TDOT

RUTHERFORD COUNTY**Cabinet Company, The**

1644 J.P. Hennessey Drive
LaVergne, Tennessee 37086

(615) 641-9310

Julie Reimer

Commercial cabinetry

Certified By: TDOT

Con-terra Construction Group, LLC

5067 Hall Hill Pike
Murfreesboro, Tennessee 37130

(615) 848-7166

Gustuvo Murelles

Framing, concrete, retaining walls, excavation,
cabinets, carpentry, millwork and pavers

Certified By: TDOT

Drew's Construction Company

106 Professional Building
P.O. Box 1514
Murfreesboro, Tennessee 37133-1514

(615) 893-4672

Will Drew, Sr.

General contracting

Certified By: OMBE

Eagle Construction Co., Inc.
P.O. Box 2316
Murfreesboro, Tennessee 37133

(615) 242-6136

Annette Tedder

General construction

Certified By: None

L & N Construction Company
P.O. Box 1136
Murfreesboro, Tennessee 37133

(615) 871-4645

Louann Zelenik

Heavy construction

Certified By: TDOT

Lane Busters Co., Inc.
P.O. Box 2035, 310 B West Castle St.
Murfreesboro, Tennessee 37133

(615) 896-4225

Henry Young

Traffic control signals, pavement marking

Certified By: TDOT

MCD Transportation, Inc.
1370 Hazelwood Drive, Suite 201
Smyrna, Tennessee 37167

(615) 459-5343

M. Cathy Davis

Transportation logistics/broker

Certified By: TDOT

Richard L. Hill Trucking Co.
2605 Halls Hill Pk.
Murfreesboro, Tennessee 37130

(615) 893-5172

Richard L. Hill

Trucking and hauling

Certified By: TDOT

Sunrise Contracting, Inc.
479 C Dick Buchannon Street
LaVergne, Tennessee 37086

(615) 287-1146

Constance Wesnofske

Site grading and utilities

Certified By: TDOT

Trice Environmental Resources
611 Hogan Drive
Murfreesboro, Tennessee 37128

(615) 849-7722

Billy Trice

Trucking and hauling

Certified By: TDOT

Williams Plumbing Service
2027 O'Brien Street
Murfreesboro, Tennessee 37130

(615) 890-2402

A. Bennett Williams

Commercial and residential plumbing -
installation and repair

Certified By: None

SCOTT COUNTY

J & M, Inc.

P.O. Box 283

Huntsville, Tennessee 37756

(423) 663-3370

Norma Jean Potter

Concrete, earthwork and landscaping

Certified By: TDOT

K-Kap Trucking, Company

Box 134/714 Old Jamestown Road

Huntsville, Tennessee 37756-0134

(423) 663-3866

Paula Bridges

Trucking and hauling: supplier of aggregate and dirt

Certified By: TDOT

SEVIER COUNTY

Alsworx Electrical Services, Inc.

1125 Bluebonnet Drive

Sevierville, Tennessee 37862

(865) 429-1607

Allen Walker

Electrical contractor – commercial, industrial and residential

Certified By: None

Brackins Landscaping, Inc.

3620 Singing Pines, P.O. Box 1354

Pigeon Forge, Tennessee 37868

(865) 453-9823

Joyce Brackins

Landscaping, erosion control

Certified By: TDOT

Eastern Tennessee Construction, Inc.

P.O. Box 398

Kodak, Tennessee 37764

(865) 932-8067

Julie Ford

Trucking and hauling, demolition, excavation, clearing and grubbing

Certified By: TDOT

Whaley & Sons, Inc.

P.O. Box 369, 10123 Chapman Hwy.

Seymour, Tennessee 37865

(865) 573-7542, (865) 428-0085

Lynda Whaley

Aggregate, concrete flatwork, earthwork, building, moving, demolition, clearing, grubbing, guardrail, fence, sealing, trucking and hauling

Certified By: TDOT

SHELBY COUNTY

Advance Personnel Service, Inc.

5090 Millbranch Road, Suite 1
Memphis, Tennessee 38116

(901) 332-0291

Anthony Tate

Temporary personnel service

Certified By: None

AFRAM Corporation

119 South Main Street, Suite 500
Memphis, Tennessee 38103

(901) 543-1116 (901) 543-8799

D. Solomon Akinduro

Engineering and construction management

Certified By: TDOT

Airfield, ETC., Inc.

7447 Glenmere Avenue
Cordova, Tennessee 38018

(901) 601-7410

Stephanie Poole

Highway, street and bridge construction, traffic
control and concrete work

Certified By: TDOT

A. Jones Roofing

1408 Gaither Parkway
Memphis, Tennessee 38106

(901) 774-8877

Ronnie Jones

Roofing

Certified By: OMBE

Allied Electrical Contractors

1190 Walker Avenue
Memphis, Tennessee 38106

(901) 942-7725

Michael Eskridge

Electrical contracting

Certified By: OMBE

All-Tech Electric Company

2375 Lamar Avenue
Memphis, Tennessee 38114

(901) 743-5401

James Frazier

Electrical

Certified By: None

Amini Construction, Inc

6554 Winchester Road, Box 174
Memphis, Tennessee 38115

(901) 398-8863

Lynn McCarty

Removal of underground tanks, excavation,
clearing, trucking and contracting

Certified By: TDOT

Arun Wagh, Inc.

8299 Beaverwood Drive
Germantown, Tennessee 38138

(901) 755-3230

Arun Wagh

Engineering environmental hydrology
geotechnical, soils analysis, materials testing
and consulting

Certified By: TDOT

Askew Brothers Construction Company

3000 South 3rd Street
Memphis, Tennessee 38109

(901) 346-9709

Edmond Askew

Residential and commercial remodeling, painting
and additions

Certified By: OMBE

Bailey Construction Company

3246 South Third Street
Memphis, Tennessee 38109

(901) 398-2664

George Bailey

General construction, residential - rehab -
commercial

Certified By: OMBE

Blair Concrete Construction Co., Inc.

5149 Long Branch
Memphis, Tennessee 38109

(901) 785-8989

Harold Blair

Concrete flatwork

Certified By: None

BNB Transport

1740 September Ave.
Memphis, Tennessee 38116

(901) 345-9114

William L. Moss

Trucking and hauling

Certified By: TDOT

Bobby Bryant Construction, Inc.

6745 Whitten Place
Memphis, Tennessee 38133

(901) 373-5000

Ann L. Bryant

Municipal water and sewer lines

Certified By: TDOT

Bricks, Inc.

2302 Dwight Road
Memphis, Tennessee 38114

(901) 744-3532

Ernest M. Owens

Concrete excavation, general contracting,
building moving and demolition

Certified By: TDOT

Business Dynamics

1230 Cannon Street
Memphis, Tennessee 38016

(901) 774-3467

Mr. Rice

Petroleum distribution, construction, asphalt
paving, grading, hauling

Certified By: TDOT

C. H. Hill, Inc.

1956 Dunn Avenue
Memphis, Tennessee 38114

(901) 744-3483

Marcel Harrell

Aggregate construction, trucking and hauling,
clearing, landscaping and sodding

Certified By: TDOT

C & S Construction Co., Inc.

P.O. Box 38289
Germantown, Tennessee 38183

(901) 754-5181

James R. Chism

General construction, transport of materials

Certified By: None

C & S Trucking

5426 Santa Barbara
Memphis, Tennessee 38116

(901) 398-7615

Marvin Collier

Trucking business

Certified By: None

Cagebilt, Inc.

1092 Evergreen, 369 South Parkway West
Memphis, Tennessee 38109

(901) 946-3932

Leo Cage

General contractor, residential - rehab -
commercial

Certified By: None

Calvin Eubanks Enterprises

1374 South Lexington Circle
Memphis, Tennessee 38107

(901) 276-4816

Ms. Emma Eubanks

Construction contractor engaged in the
construction of residential and non-residential
structures including industrial buildings and
warehouses; work includes additions,
alterations, remodeling and repairs

Certified By: None

Caneron Construction Co., Inc.

3702 West Mart Road
Memphis, Tennessee 38109

(901) 396-8875

Roland McFirth, Harold Blair

Curb, gutter, catch basin

Certified By: None

Clark Cribbs Contractors
912 Colgate Road
Memphis, Tennessee 38106

(901) 948-1840

Clark Cribbs

Miscellaneous concrete - manholes, curbs,
gutter, sidewalks, municipal water and sewer
lines

Certified By: TDOT

Clayton Contracting Co.
8781 Wood Mills Cv. W.
Cordova, Tennessee 38018

(901) 759-1193

Peggy Clayton

Joint sawing, sealing, pavement, erosion control

Certified By: None

Control Pest Company
P.O. Box 14605
Memphis, Tennessee 38118

(901) 774-7334

Edward Johnson

Extermination

Certified By: None

Cribbs Construction Company
3049 Winchester Rd.
Memphis, Tennessee 38118

(901) 366-7803

Charles Cribbs

Inlets, catch basins, manholes

Certified By: None

Cribbs Masonry
1592 W. Raines Road
Memphis, Tennessee 38109

(901) 785-5391

Dewey Cribbs

Masonry

Certified By: TDOT

Cummings Construction Company
1175 E. Trigg Avenue
Memphis, Tennessee 38106

(901) 947-4861

Elton Cummings

General contractor

Certified By: TDOT

Davis and Davis, Inc.
3091 Greenbranch Drive
Memphis, Tennessee 38118

(901) 368-4779

Martin Davis

General construction, trucking and hauling and
concrete

Certified By: TDOT

Division Scale Company
5680 E. Shelby Drive
Memphis, Tennessee 38141

(901) 366-4220

Steven Rael Muccilto

Repair and supply scales and container handling
equipment

Certified By: TDOT

Dorsey Electrical Company
3345 Germantown Road
Memphis, Tennessee 38134

(901) 386-1403

Thomas Dorsey

Electrical work

Certified By: TDOT

Duning-Martin Engineering
3929 Whitebrook Street, Suite 100A
Memphis, Tennessee 38118

(901) 360-9148

Lecia Martin, P.E.

Engineering services

Certified By: TDOT

Eddie Harper Trucking Company
1599 Dunmoor Street
Memphis, Tennessee 38114

(901) 743-4632

Eddie Harper

Trucking business

Certified By: None

Environmental Mgt. Consultants, Inc.
2851 Lamb Place, Suite 2
Memphis, Tennessee 38118

(901) 795-3003

Ward Lindsey

Environmental site assessments, industrial
hygiene/indoor air quality testing

Certified By: TDOT

Ewing Moving Service, Inc.
827 S. Main Street
Memphis, Tennessee 38106

(901) 774-2197, (800) 533-2315

Charles Ewing, Sr.
Margaret Page

Corporate, private and commercial moving
service

Certified By: TDOT

Excel Construction Co., Inc.
6235 Kirby Downs Drive
Memphis, Tennessee 38115

(901) 366-7837

David Fondren

Concrete flatwork, painting, and steel erection

Certified By: TDOT

Fitch Williamson & Cartwright
8605 Huntleigh Way
Germantown, Tennessee 38138

(901) 795-1864 (901) 759-1862

Arena Lavelle Fitch

Professional services, management consultant:
airport management, human resources, DBE
program development and management and
Title VI

Certified By: TDOT

Foster Landscaping & Excavation

1731 Castalia
Memphis, Tennessee 38114

(901) 948-8015

Rozelle Foster

Grading, sodding, loading, hauling and foundation work and excavation; some planting, bed preparation and other landscaping services available/offered.

Certified By: None

Gillespie Trucking Company

1876 Hearst Avenue
Memphis, Tennessee 38114

(901) 895-5054

Herman Gillespie

Trucking company - hauling, sand , gravel, dirt and asphalt

Certified By: None

Gipson Mechanical Contractors, Inc.

6849 Raleigh Lagrang Rd.
Memphis, Tennessee 38134

(901) 388-6149

Winston S. Gipson

General contracting (mechanical)

Certified By: TDOT

H & H Landscape & Construction

P.O. Box 7126
Memphis, Tennessee 38107

(901) 743-7365

Thomas Hill

Landscaping

Certified By: None

Harts Trucking

2406 Johanna Drive
Memphis, Tennessee 38114

(901) 744-7500

James Harts, Jr.

Trucking and hauling

Certified By: TDOT

Hays Trucking, Inc.

3874 Prescott
Memphis, Tennessee 38118

(901) 487-5117

Cathy C. Hays

Trucking and hauling, supplier of aggregate

Certified By: TDOT

Hess Environmental Srvc, Inc.

6057 Executive Centre Drive, Suite 6
Memphis, Tennessee 38134

(901) 377-9139

Connie Hess

Environmental consulting

Certified By: TDOT

Imani Resource Services
1704 Euclid Avenue
Memphis, Tennessee 38114-1605

(901) 272-2039

Wayne F. Jones

Lawn maintenance, landscaping and freight transportation

Certified By: TDOT

Industrial Sales Company of Memphis
7520 Bartlett Corporation Drive
Bartlett, Tennessee 38133

(901) 396-4324

Judy May

Electrical materials

Certified By: TDOT

Jackson, Person & Associates, Inc.
66 Monroe Street, Suite 104
Memphis, Tennessee 38103

(901) 526-8386

(901) 526-8289

John Jackson

Landscaping, land surveying, planning and construction administration

Certified By: TDOT

JDL Enclavee, LLC
2514 Hearth Stone Drive
Cordova, Tennessee 38018

(901) 380-0005

G. Luke Carter

Commercial and industrial chemicals

Certified By: TDOT

J & J House Doctor, Inc.
860 Tatum Road
Memphis, Tennessee 38122

(901) 454-1442

Orlenda Williams

General contractor - residential

Certified By: None

J. J. Mechanical Contractor
3254 Highway 61 South
Memphis, Tennessee 38104

(901) 396-5648

James W. Currie

Heating and air conditioning, refrigeration and AC service and repair

Certified By: None

Leroy Manuel Trucking Company
1603 Orr Street
Memphis, Tennessee 38108

(901) 320-9393

Leroy Manuel

Trucking and hauling

Certified By: TDOT

L.S. Sipp Construction Co.
3531 Chevron Cove
Memphis, Tennessee 38118-8111

(901) 345-3189

Lawson S. Sipp

Concrete, manholes, paving

Certified By: TDOT

M & H Heating, Air Conditioning & Refrigeration, Inc.

3254 Highway 61 South
Memphis, Tennessee 38109

(901) 332-9314

William Moss

General contracting – heating, air conditioning, refrigeration, trucking and hauling.

Certified By: OMBE

Matthews Contract Painting Co., Inc.

P.O. Box 18868
Memphis, Tennessee 38181

(901) 360-8787

Dennis R. Matthews

Painting

Certified By: TDOT

Mayo Construction Co.

2016 Quinn
Memphis, Tennessee 38114

(901) 278-2464

Augusta Mayo

Construction work: bricklaying, piping, etc.

Certified By: TDOT

McCollum Trucking, LLC

3706 Stonetrace Circle
Bartlett, Tennessee 38135

(901) 386-3117

Bernadette McCollum

Trucking and hauling

Certified By: TDOT

McDonald Plumbing

P.O. Box 271204
Memphis, Tennessee 38127

(901) 398-7529

Harold McDonald

Plumbing

Certified By: None

McFarland Welding/Fabrication

1079 Chelsea Avenue
Memphis, Tennessee 38107

(901) 522-1733

Fred McFarland

Welding steel fabrication steel erection

Certified By: TDOT

Mid-South Enterprises, Inc.

1725 Graceland Cove
Memphis, Tennessee 38116

(901) 346-1410

Patricia Smith

Earthwork, hauling equipment

Certified By: TDOT

Mid South Fence Company

P.O. Box 161162
Memphis, Tennessee 38116

(901) 382-0222

Onita Hamilton

Fence and guardrails

Certified By: TDOT

Mid-South Rebar Company

2126 York Avenue
Memphis, Tennessee 38116

(901) 346-6737

Kerby Alexander

Reinforcement steel placement subcontractor

Certified By: None

MJ Trucking

4367 Donjourney Cove
Memphis, Tennessee 38125

(901) 751-6640

Michael Jenkins

Trucking and hauling

Certified By: TDOT

Mosley Fence Company

1573 Dallas
Memphis, Tennessee 38114

(901) 744-7394

Willie Mosley

Fencing construction and concrete

Certified By: None

O'Neal Grading Company

5011 Boeingshire
Memphis, Tennessee 38116

(901) 332-1240

O'Neal Payne

Excavation, land fill and site preparation; also
handles swimming pool installation

Certified By: OMBE

Personal Safety First

333 Burwood Drive
Memphis, Tennessee 38109

(901) 785-1617

Kenneth Williamson

Supplier (safety and industrial equipment)

Certified By: TDOT

Professional Screening Services

3367 Woodhaven Drive
Memphis, Tennessee 38128

(901) 385-1407

Debbie Rogers-Fisher

Alcohol testing and drug screening

Certified By: TDOT

Pryor's Paving and Grading

1382 South Parkway East
Memphis, Tennessee 38106

(901) 774-4213

William Pryor

Site preparation and asphalt paving

Certified By: None

Quality Roofing Company

1190 Walker Avenue
Memphis, Tennessee 38106

(901) 377-6627

Roofing

Certified By: None

Quick, Inc.

983 Jackson Avenue
Memphis, Tennessee 38107

(901) 527-4970

Marvin Blount

Electrical contracting

Certified By: None

R. C. Shannon Company

2129 Henrietta Road
Memphis, Tennessee 38134

(901) 323-6981 or 386-3908

Robert C. Shannon, Sr.

Roofing work, including repairing

Certified By: None

Regco Filter Manufacturing

P.O. Box 41860
Memphis, Tennessee 38174

(901) 948-9704

Supplier of air filters for industrial buses engines

Certified By: None

Reliant Electric

3610 Democrat
Memphis, Tennessee 38118

(901) 368-0008

Melvin Long

Electrical: inside and outside wiring and lighting
of commercial, public and private properties

Certified By: TDOT

Richard Contractor, Inc.

780 Walton Lake
Collierville, Tennessee 38017

(901) 853-2906

Sandra Richards

Minor concrete structures, box culverts, water
and sewer, minor drainage, and paving

Certified By: None

River City Painting & Construction

P.O. Box 16761
Memphis, Tennessee 38186

(901) 743-6233

David Fondren

Commercial and industrial painting drywall and
line striping

Certified By: OMBE

River City Railroad Contractors, Inc.

1759 Glenview
Memphis, Tennessee 38114

(901) 728-4998

Clarence Harris

Heavy construction except highway and street

Certified By: TDOT

Romeo, Wise, & Bone

2840 Summer Oaks Drive, Suite 102
Memphis, Tennessee 38134

(901) 371-0020

Eric Wise

Planning, engineering, surveying, project
management and consulting

Certified By: TDOT

S-W Asphalt Paving & Sealing

1234 Mississippi
Memphis, Tennessee 38106

(901) 774-2266

Floyd Veasley

Paving

Certified By: TDOT

Sanders & Harvell Construction Company, Inc.

1790 LaPaloma Street
Memphis, Tennessee 38114

(901) 774-4171

Florence Sanders

General contractor

Certified By: OMBE

Seiferth Contractors

P.O. Box 14605, 2287 Zanone
Memphis, Tennessee 38114

(901) 458-3976

Clarence Seiferth

General contractors, residential - rehab –
commercial – concrete, earthwork, trucking and
hauling

Certified By: TDOT

Shelby Sod & Grading, Inc.

241 Germantown Bend
Memphis, Tennessee 38018

(901) 747-2327 or 524-7046

Joseph Ford

Landscaping

Certified By: None

Small Planet Works

109 NorthMain Street, Suite 601
Memphis, Tennessee 38103

(901) 521-0943

Janice A. Banks

Information technology, process management,
performance methodology, web-site hosting and
design

Certified By: TDOT

Smith Masonry, Inc.

51 N. Third Street
Memphis, Tennessee 38103

(901) 522-8677

Nat or Linda Smith

Masonry and concrete contractor engaged in
work such as stone laying, marble, brick and
block preset

Certified By: None

Southland Enterprises

853 E. Raines Road
Memphis, Tennessee 38116

(901) 332-0715

J. C. Payne

Concrete, earthwork: building, moving,
demolition, clearing, grubbing, joint sawing,
sealing, pavement patching, storm sewer, and
watermain

Certified By: TDOT

South Seas Homes, Inc.
2886 Cela Street
Memphis, Tennessee 38128

(901) 382-2737

Leslie Wooten

General contracting, residential, industrial,
commercial, home development and renovation

Superior Traffic Control – Memphis, Inc.
P.O. Box 381526
Germantown, Tennessee 38183

(901) 737-9958

Rebecca Wood

Traffic control, sales and service

Certified By: TDOT

T.H.Y. Inc.
3639 New Getwell, Suite 1
Memphis, Tennessee 38118

(901) 362, 3300, (901) 367-0471

Teck M. Tang, P.E.

Engineering: (transportation, highways, traffic)
and surveying

Certified By: TDOT

Toles and Associates, Inc.
2851 Lamb Place, Suite 2
Memphis, Tennessee 38118

(901) 794-9815

James Toles

Engineering (civil and structure)

Certified By: TDOT

V & J Construction Co.
660 Neptune Street
Memphis, Tennessee 38104

(901) 774-1970

Robert Jeffries

Concrete construction

Certified By: None

Van Savage Roofing and Company
P.O. Box 14732, 2785 Sanderwood
Memphis, Tennessee 38114

(901) 365-1579

Mr. Van Savage

General contractor primarily engaged in the
installation and repair of roofing and siding; also
handles water proofing applications

Certified By: OMBE

W. C. Davis & Son Construction Co.
1936 Chelsea Avenue
Memphis, Tennessee 38108

(901) 276-6194

W. H. Davis

General construction contractor and builder
offering commercial and residential repairs and
remodeling services

Certified By: None

W.M. Reinhold Landscape, Inc.
5345 Holmes Road
Memphis, Tennessee 38118

(901) 363-3555

Drew St. John

Landscaping, seeding, and sodding

Certified By: None

W. Woods Trucking
1487 Pinecrest
Memphis, Tennessee 38111

(901) 452-5444

Wiley Woods

Trucking and hauling

Certified By: TDOT

Washington Brothers Company
4645 Highway 61 South
Memphis, Tennessee 38109

(901) 785-4329

Clifton Washington

Excavation and concrete construction

Certified By: None

Whittington Wrecking & Demolition
1485 Catalina
Memphis, Tennessee 38111

(901) 725-0022

Rickie Whittington

Earthwork, general contracting (residential, industrial, commercial/public) building, moving, demolition, trucking and hauling

Certified By: TDOT

Word Construction Company
1479 W. Trezevant Street
Memphis, Tennessee 38108

(901) 327-4658

E. L. Word

General contractor primarily engaged in construction (including new work, additions, alterations, remodeling and repair) of residential and commercial structures

Certified By: None

SMITH COUNTY

Austin Trucking Inc.
9 L B McDonald
Chestnut Mound, Tennessee 38552

(615) 897-2939

Kelly Austin

Trucking and hauling

Certified By: TDOT

Eatherly Group, Inc.
P.O. Box 196
166 River Road
Carthage, Tennessee 37030

(615) 735-8200

Patricia Cowan

Grading site excavation, drainage, concrete work, bridges, utilities, hauling of dirt, aggregate and supplier of pipe

Certified By: TDOT

SULLIVAN COUNTY

Absolute Communications, Inc.

1805 North Eastman Road, Suite 7
Kingsport, Tennessee 37664

(423) 246-0336, (423) 246-2188

Carolyn Pierson Cook

Public relations and marketing event
management

Certified By: TDOT

Bakers Construction

3365 Rockhold Road
Bluff City, Tennessee 37618

(423) 538-7135

Patti Baker

Earthwork clearing, grubbing, sewers and
watermains

Certified By: TDOT

Cactus Hydroseeding

3016 Hi Drive
Kingsport, Tennessee 37663

(423) 239-0681

Shawna Johnson

Hydroseeding

Certified By: TDOT

East Tennessee Construction Services

3365 Rockhold Road
Bluff City, Tennessee 37618

(423) 538-9517 (423) 538-3608

Jessica Hodge

Seeding, sodding & erosion control

Certified By: TDOT

Public Drainage Supply, Inc.

260 Shanks Road
Blountville, Tennessee 37617

(423) 323-1003

Harriet Manning

Supplier: C.M.P. pipe

Certified By: TDOT

Riverbend Consulting

156 River Road
Bluff City, Tennessee 37618

(423) 538-3859

Shari Rown

Land use studies, facilities planning &
comprehensive planning

Certified By: TDOT

R. L. Jones Trucking

P.O. Box 525
Blountville, Tennessee 37617

(423) 323-2032, (423) 571-0481

Dean Jones

Trucking and hauling

Certified By: TDOT

Tri-City Development Corp.

P.O. Box 297
817 Dale Street
Kingsport, Tennessee 37662

(423) 246-1050

Ralph Watterson

Construction – rehabilitation, residential and commercial

Certified By: TDOT

SUMNER COUNTY

Commercial Hydroseeding

100 Long Hollow Ct.
Goodlettsville, Tennessee 37072-8827

(615) 855-3700

Kimberly Frazee

Commercial hydroseeding and sod, sod installation and erosion control

Certified By: TDOT

Concrete Bonding Services, Inc.

P.O. Box 660
105 Dolphus Dr.
Hendersonville, Tennessee 37075

(615) 822-8130

Zonda Seifers

Specialty contractor – concrete repair and restoration

Certified By: TDOT

Exclusively Temporary, Inc.

714 Nashville Pike
Gallatin, Tennessee 37066

(615) 452-7080

Regina Hayslip

Employment and labor service

Certified By: OMBE

Henry Collins and Associates

100 Main Street, Suite 203
Portland, Tennessee 37148

(615) 325-1809

Henry Collins
Cynthia Durant

Web site design, advertising, communications printing event, planning

Certified By: TDOT

H.E.S. Construction Company

119 Trail Drive
Gallatin, Tennessee 37066

(615) 451-1592

Howard E. Stenson

Concrete masonry, cement finisher

Certified By: TDOT

Jen-Hill Construction Materials

145 Shackle Island Road
Hendersonville, Tennessee 37075

(615) 824-1200

Jennifer Moody

Supplier of erosion control and environmental construction materials

Certified By: TDOT

Quantum Environmental, LLC
P.O. Box 1427
Goodlettsville, Tennessee 37072

(615) 851-8718 (615) 851-5557

Leslie Woodcock

Rehabilitation of sewer lines and manholes

Certified By: TDOT

Southland Safety Signal, Inc.
114 Joslin Avenue
Gallatin, Tennessee 37066

(615) 230-9894

Terry Ann Huffman

Guardrail and electrical work, structures

Certified By: TDOT

SRS, Inc.
P.O. Box 626
Gallatin, Tennessee 37066

(615) 230-2966

Dewayne Scott

Construction and erosion control

Certified By: TDOT

TIPTON COUNTY

B & S Contractors
Route 1, Box 822
Atoka, Tennessee 38004

(901) 835-2954

James Sneed

Housing rehabilitation specialist

Certified By: None

Inman Trucking Co., Inc.
P.O. Box 53
Brighton, Tennessee 38011

(901) 837-0161

Wanda C. Inman and Darlene Boswell

Trucking and hauling

Certified By: TDOT

UNION COUNTY

Merritt Construction Company
304 S. Ridgecrest Drive
Luttrell, Tennessee 37779

(865) 992-8177

June Merritt

General - municipal water and sewer lines,
residential - heavy construction

Certified By: TDOT

WARREN COUNTY

Elaine Rains Construction
494 Old Shelbyville Road
McMinnville, Tennessee 37110

(931) 473-6646

Elaine Rains

Construction, residential (only)

Certified By: TDOT

Officer and Associates, Inc.
5493 Sparta Hwy., P.O. Box 225
Rock Island, Tennessee 38581

(931) 815-2775

Charles Officer

Aggregate construction and trucking

Certified By: TDOT

WASHINGTON COUNTY

FENCE'em IN, Inc.
123 Free Hill Road
Gray, Tennessee 37615

(423) 477-8615

Ms. Kerri Lyons

Fence and guardrail

Certified By: TDOT

Kyle Construction Company
3701 Deepwood Drive
Johnson City, Tennessee 37601

(423) 282-0084

Glen Kyle

Residential - rehab

Certified By: OMBE

Ollen Clark Construction Company
P.O. Box 3307
Johnson City, Tennessee 37602

(423) 282-3611

Virginia Clark

General construction

Certified By: None

Southern Seeding, Inc.
1300 Shell Road
Jonesborough, Tennessee 37659

(423) 753-9355

Lisa Shell

Seeding, sodding and erosion control

Certified By: TDOT

WAYNE COUNTY

Enviroworks, Inc.
P.O. Box H, 100 East Pillow Street
Clifton, Tennessee 38425

(931) 676-3500

Travis Berry French
Billie Wayne Slaughter

Utility contractor, commercial – electrical,
grading site work

Certified By: None

Rod's Paving Company
1825 Natural Bridge Road
Waynesboro, Tennessee 38485

(931) 722-4016

Kenny Ray Rodriguez

Driveways, asphalt, hauling of dirt and sand

Certified By: TDOT

Volunteer Sod & Seeding, Inc.

Route 1, Box 33
Strawberry Farm Rd.
Lutts, Tennessee 38471

(931) 724-5170

Sheila McFall

Landscaping, erosion control

Certified By: OMBE

WHITE COUNTY

**Brenda Eagle Trucking, LLC
Eagle Trucking Co., Inc.**

370 Ballard Lane
Sparta, Tennessee 38538-7150

(931) 668-5518

Brenda Eagle

Hauling of dry goods, trucking, transportation
services

Certified By: TDOT

CJM Enterprises

P.O. Box 6268
Sparta, Tennessee 38583

(931) 738-9644

Marilyn Carlson

Clerical bookkeeping, computer services and
heavy equipment transfer and hauling

Certified By: TDOT

Gardenhire Construction Company

P.O. Box 236, Rt. 9, Oakwood Drive
Sparta, Tennessee 38583

(931) 738-3868

Gary Gardenhire

Highway construction, gravel, rock, concrete,
landscaping, grassing, masonry, grading,
pavement sealing, carpentry

Certified By: TDOT

McKendree Construction, Inc.

P.O. Box 814
Sparta, Tennessee 38587

(931) 761-3760

Barbara McKendree

Inlets, catch basins, manholes, curbs

Certified By: TDOT

Officer and Associates, Inc.

5493 Sparta Hwy., Box 225
Rock Island, Tennessee 38581

(931) 815-2775

Charles Officer

Aggregate construction and trucking

Certified By: TDOT

WILLIAMSON COUNTY

Allyson Shumate

1225 Buckhead Drive
Brentwood, Tennessee 37027

(615) 333-2570

Alyson Shumate

Project management, construction management
and control consulting

Certified By: TDOT

Benchmark Group, Inc.

155 Franklin Road, Suite 140
Brentwood, Tennessee 37027

(615) 661-4914

Judy B. Cline

Employment and labor services

Certified By: OMBE

Booker Engineering, Inc.

1773 Cayce Springs Road
Thompson Station, Tennessee 37179

(615) 599-7351

Brenda Booker

Engineering

Certified By: TDOT

Fischbach Transportation Group

3326 Aspen Grove Drive, Suite 130
Franklin, Tennessee 37067

(615) 377-3130

Gillian L. Fischbach

Traffic engineering and planning

Certified By: TDOT

Lockwood Construction, Co.

P.O. Box 588, 1222 West Main St.
Franklin, Tennessee 37064

(615) 794-8465

Kaye Lockwood

Aggregate construction, concrete, excavation,
embankment, building, moving, clearing,
grubbing, joint sawing and sealing, and retaining
walls

Certified By: TDOT

Moran Contractors, Inc.

118 Beasley Drive
Franklin, Tennessee 37064

(615) 794-5156

Harriet Moran Greet

Street patching, painting lines, street markings

Certified By: None

Stormwater & Hydrologic Eng.

909 Steeplechase Drive
Brentwood, Tennessee 37027

(615) 371-8031

Fred Quinones

Environmental engineering hydraulic and studies

Certified By: None

TRC International, Ltd.
217 Ward Circle, Suite C
Brentwood, Tennessee 37027

(615) 661-7979

Surendra Ramanna

Architectural/engineering and consulting work

Certified By: TDOT

WILSON COUNTY

Atlantic Surveying & Mapping, Inc.
907 Chapparral Drive
Lebanon, Tennessee 37087

(615) 444-1885

Robyn Jo Edwards

Land surveying

Certified By: TDOT

Robert and Cassie Construction
P.O. Box 70
Gladeville, Tennessee 37071

(615) 449-3540

Robert and Cassie Spickard

General contractor, excavation, embankment,
sanitary sewer

Certified By: TDOT

CDF Incorporated
P.O. Box 1221, 2636 Hartsville Pike
Lebanon, Tennessee 37087

(615) 449-3535

Donna Mosher

Bridge deck grooving

Certified By: TDOT

Jerry B. Young, Jr. Construction, Inc.
2150 Philadelphia Road
Lebanon, Tennessee 37087

(615) 443-0493

Jerry B. Young, Jr.

Water and sewer line; highway, street and
bridge; poured concrete foundation and
struction construction and site preparation
contractor

Certified By: None

Kathy Freeman Trucking Company
P.O. Box 2122
Lebanon, Tennessee 37088

(615) 449-1777

Kathy L. Freeman

Trucking and hauling, supplier of aggregate

Certified By: TDOT

K. W. Kidd Construction Co.
P.O. Box 914
Mt. Juliet, Tennessee 37122

(615) 754-9070 (615) 780-8523

Darryl Kidd

Earthwork, demolition, trucking, underground

Certified By: TDOT

New South Contractors, Inc.
76 Martha Circle, Hwy. 109 at Hwy. 170
Lebanon, Tennessee 37090

(615) 444-8395

Mary Ellen Benward

Gravel, paving and underdrains

Certified BY: TDOT

Stanphills Trucking, Inc.
299 McCreary Place
Lebanon, Tennessee 37090

(615) 443-8564 (phone/fax)

Kim Stanphill

Commercial dump truck hauling

Certified By: TDOT

Tennessee Coatings, LLC
P.O. Box 1272
Lebanon, Tennessee 37088

(615) 443-7876

Diane Holt

Painting and wall coverings

Certified By: TDOT

Tennessee Telecom, Inc.
137 Southside Park Drive
Lebanon, Tennessee 37090

(615) 443-0040

Sue Singleton

Remarketer & quality repair of Northern
Telecom PBX & Key systems

Certified By: TDOT

The Phoenix Group of Mid. TN
P.O. Box 1401
Lebanon, Tennessee 37088-1401

(615) 449-5270

Darlene Craighead

Concrete underdrains and paving, water mains
and placement of steel, filler cloth under drains

Certified By: TDOT

West Wilson County Concrete Company
Industrial Park, P.O. Box 147
Mount Juliet, Tennessee 37122

(615) 758-5686

James Pope

Ready-mixed concrete

Certified By: OMBE

Wilson County Concrete Co., Inc.
South College Street
Lebanon, Tennessee 37087

(615) 444-0454

James Pope

Ready-mixed concrete

Certified By: None

STATE OF TENNESSEE
TENNESSEE HOUSING DEVELOPMENT AGENCY

AFFIRMATIVE MARKETING POLICIES AND PROCEDURES
--

I. STATEMENT OF POLICY:

In accordance with the Regulations of the HOME Investment Partnership Program, and in furtherance of the Tennessee Housing Development Agency's (THDA) commitment of non-discrimination and equal opportunity in housing, THDA establishes procedures to affirmatively market units rehabilitated under the HOME Program. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, as amended, Executive Order 11063, and THDA's Fair Housing Act of 1969. These policies apply to any rental property assisted by the HOME program containing 5 or more units.

The Tennessee Housing Development Agency is committed to the goals of affirmative marketing which will be implemented in our HOME program through a specific set of steps that THDA, recipients and owners will follow.

THDA shall require that all HOME grantees carrying out HOME activities addressing rental property of 5 or more units adopt and follow these same policies and procedures as outlined below.

II. IMPLEMENTATION PROCEDURES

A. INFORMING THE PUBLIC, POTENTIAL TENANTS AND OWNERS ABOUT FEDERAL FAIR HOUSING LAWS AND AFFIRMATIVE MARKETING POLICIES:

1. **INFORMING THE PUBLIC** - Local city, county and non-profit recipients will be required to inform the public of the program and their proposed activities.
2. **INFORMING OWNERS** - Recipients will mail upon request and have available for distribution to property owners an application package which provides further explanation of the Program. The application includes a fair housing certification which the landlord is required to sign. Once an application is received from the landlord, THDA or the local PHA will send additional information concerning tenant eligibility, Housing Quality Standards, and Equal Opportunity Housing requirements.
3. **INFORMING POTENTIAL TENANTS** - The owner's application includes a request for the names and mailing addresses of tenants in buildings scheduled for rehabilitation. Upon receipt of the owner application, THDA will mail an "information letter" to the current tenants informing them of the landlord's application and referring them to the appropriate agency or local PHA for an explanation of subsidy eligibility. This information letter includes a fair housing statement.

B. REQUIREMENTS FOR OWNERS TO INFORM THE GENERAL RENTER PUBLIC ABOUT AVAILABLE REHABILITATED UNITS:

It is THDA's policy to require substantial steps by project owners to carry out affirmative marketing. Owners should provide for costs associated with these requirements in their planned operating costs and subsidy decisions, which by necessity will take these costs into account.

If it is feasible to advertise in advance of selecting a tenant, without holding units off the market, participating property owners will be required to make information on the availability of units known through:

1. Advertisements in the local newspaper(s), if, the owner ordinarily advertises available rentals in the news media;
2. Notifying the local PHA or THDA's agent and requesting that staff inform applicants on their waiting lists about upcoming vacancies.

THDA will emphasize to owners that to the extent feasible without holding units off the market, they make information about upcoming vacancies to the general public after special outreach efforts are underway.

THDA will require that property owners selected for participation in the program comply with affirmative marketing requirements by means of an Agreement. Failure to carry out the agreement could make an owner ineligible to participate in the Program with future projects.

III. SPECIAL OUTREACH

In order to inform as well as solicit applications from persons in the housing market area who are not likely to apply for units without special outreach, THDA has established methods property owners must use in order to reach the objective.

THDA has identified two groups in the housing market area who would probably not apply for the units without special outreach: African-Americans and single, female heads of household.

Having identified these two groups, THDA will require that owners use special outreach methods as follows:

1. Send notification of upcoming vacancies to the local office of the Department of Human Services and the Human Resource Agency.
2. Contact the local PHA or THDA agent and ask them to inform applicants on their waiting list.

THDA will require that owners begin their special outreach activities upon learning that a vacancy will occur. THDA will ask that owners request a thirty (30) day notification from tenants intending to move so that special outreach to African-Americans and single, female heads of household can begin before notification to the general public.

IV. RECORDKEEPING

THDA will require that owners keep records on:

1. The racial, ethnic and gender characteristics of tenants and applicants for at least 90 days following the completion of rehabilitation/new construction.

2. Activities they undertake to inform the general renter public; specifically, copies of advertisements placed in newspapers; and dates on which the owner contacted the local DHA, HRA and PHA.
3. Activities owners undertake for special outreach; specifically, dates of contact with the local DHA, HRA and PHA, or THDA agent.:

V. ASSESSMENT AND CORRECTIVE ACTION

A. Assessment of the affirmative marketing efforts of property owners will include:

1. DETERMINATION OF GOOD FAITH EFFORTS - To determine if good faith efforts have been made examine records THDA has required owners to maintain on actions they have take and compare them with the actions owners were required to take. If THDA finds that the required actions have been carried out as specified, it will be assumed that owners have made good faith efforts to carry out these procedures.
2. DETERMINATION OF RESULTS - To determine results assess property owners' affirmative marketing efforts in relation to whether or not persons from a variety of racial and ethnic groups in the community and, in particular, African-American and single, female heads of household have in fact applied for and/or become tenants in the rehabilitated units. If THDA finds they have, it will be assumed that owners have carried out Procedures 2 and 3 effectively.

If the representation of racial/ethnic groups is not broad or the two identified groups are not represented, THDA will review the affirmative marketing procedures to determine what changes, if any, might be made to make the affirmative marketing efforts more effective in informing persons in all groups about rental opportunities.

B. CORRECTIVE ACTION

THDA will take corrective action if an owner fails to carry out the required procedures or fails to maintain the records on tenants and applicants.

If there are problems, THDA will require owners with vacancies to notify the local PHA or THDA agent immediately upon learning that a unit will become vacant. THDA is asking that owners give the PHA or the THDA agent this information as close to thirty (30) days prior to the upcoming vacancy as possible. The PHA or the THDA agent will then be able to verify on a "spot check" basis if these owners are following the prescribed procedures.

If an owner continues to fail to meet the affirmative marketing requirements, THDA, after fair warning and an opportunity to correct identified deficiencies, may disqualify an owner from further participation in future rental programs administered by THDA. THDA will carry out the assessment activities, and prepare a written assessment of the affirmative marketing efforts in time to report results in the Annual Performance Report submitted to HUD.

Public Reporting Burden for this collection of information is estimated to average .50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive Order 12421 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The Department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency

Check if:
PHA ☐
IHA ☐

2. Location (City, State, ZIP Code)

3a. Name of Contact Person

3b. Phone Number (Including Area Code)

4. Reporting Period
☐ Oct. 1 - Sept. 30 (Annual-FY)

5. Program Code (Not applicable for CPD programs.)
See explanation of codes at bottom of page.
Use a separate sheet for each program code.

6. Date Submitted to Field Office

Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc. 7a.	Amount of Contract or Subcontract 7b.	Type of Trade Code (See below) 7c.	Contractor or Subcontractor Business Racial/Ethnic Code (See below) 7d.	Woman Owned Business (Yes or No) 7e.	Prime Contractor Identification (ID) Number 7f.	Sec. 3 7g.	Subcontractor Identification (ID) Number 7h.	Sec. 3 7i.	Contractor/Subcontractor Name and Address 7j.				
									Name	Street	City	State	Zip Code

CPD:
1 = New Construction
2 = Education/Training
3 = Other

7c: Type of Trade Codes:
Housing/Public Housing:
1 = New Construction
2 = Substantial Rehab.
3 = Repair
4 = Service
5 = Project Mangt.

6 = Professional
7 = Tenant Services
8 = Education/Training
9 = Arch./Engrg. Appraisal
0 = Other

7d: Racial/Ethnic Codes:
1 = White Americans
2 = Black Americans
3 = Native Americans
4 = Hispanic Americans
5 = Asian/Pacific Americans
6 = Hasidic Jews

5: Program Codes (Complete for Housing and Public and Indian Housing programs only):
1 = All insured, including Section 8
2 = Flexible Subsidy
3 = Section 8 Noninsured, Non-HFDA
4 = Insured (Management)
5 = Section 202
6 = HUD-Held (Management)
7 = Public/Indian Housing

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of \$10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than \$10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be

completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary

may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front.

Complete item 7h. only once for each contractor/subcontractor on each semi-annual report.

Enter the prime contractor's ID in item 7f. for all contracts and subcontracts. Include only contracts executed during this reporting period. PHAs/IHAs are to report all contracts/subcontracts.

Community Development Programs

- 1. **Grantee:** Enter the name of the unit of government submitting this report.
- 3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.
- 7a. **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.
- 7b. **Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.
- 7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor's/ subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor. The "other" category includes supply, professional services and all other activities except construction and education/training activities.
- 7d. **Business Racial/Ethnic/Gender Code:** Enter the numeric code which indicates the racial/ethnic /gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/ gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.
- 7e. **Woman Owned Business:** Enter Yes or No.
- 7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.
- 7g. **Section 3 Contractor:** Enter Yes or No.
- 7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.
- 7i. **Section 3 Contractor:** Enter Yes or No.
- 7j. **Contractor/Subcontractor Name and Address:** Enter this information for each

Previous editions are obsolete.

firm receiving contract/subcontract activity only one time on each report for each firm.

Multifamily Housing Programs

- 1. **Grantee/Project Owner:** Enter the name of the unit of government, agency or mortgagor entity submitting this report.
- 3. **Contact Person:** Same as item 3 under CPD Programs.
- 4. **Reporting Period:** Check only one period.
- 5. **Program Code:** Enter the appropriate program code.
- 7a. **Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned.
- 7b. **Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs.
- 7c. **Type of Trade:** Same as item 7c. under CPD Programs.
- 7d. **Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs.
- 7e. **Woman Owned Business:** Enter Yes or No.
- 7f. **Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs.
- 7g. **Section 3 Contractor:** Enter Yes or No.
- 7h. **Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs.
- 7i. **Section 3 Contractor:** Enter Yes or No.
- 7j. **Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs.

Public Housing and Indian Housing Programs

PHAs/IHAs are to report all contracts/subcontracts. Include only contracts executed during this reporting period.

- 1. **Project Owner:** Enter the name of the unit of government, agency or mortgagor entity submitting this report. Check box as appropriate.
- 3. **Contact Person:** Same as item 3 under CPD Programs.
- 4. **Reporting Period:** Check only one period.
- 5. **Program Code:** Enter the appropriate program code.
- 7a. **Grant/Project Number:** Enter the HUD Project Number or Housing Development Grant or number assigned.
- 7b. **Amount of Contract/Subcontract:** Same as item 7b. under CPD Programs.
- 7c. **Type of Trade:** Same as item 7c. under CPD Programs.
- 7d. **Business Racial/Ethnic/Gender Code:** Same as item 7d. under CPD Programs.
- 7e. **Woman Owned Business:** Enter Yes or No.
- 7f. **Contractor Identification (ID) Number:** Same as item 7f. under CPD Programs.
- 7g. **Section 3 Contractor:** Enter Yes or No.
- 7h. **Subcontractor Identification (ID) Number:** Same as item 7h. under CPD Programs.
- 7i. **Section 3 Contractor:** Enter Yes or No.
- 7j. **Contractor/Subcontractor Name and Address:** Same as item 7j. under CPD Programs.

SECTION 3 QUESTIONNAIRE

	YES	NO
1. Is your grant amount \$200,000 or more? If NO, Section 3 does not apply. No additional information is needed.	<input type="checkbox"/>	<input type="checkbox"/>
2. If YES, will this project necessitate the hiring of new employees on your payroll or the training of present employees? If NO, Section 3 does not apply to the Grantee's new hires.	<input type="checkbox"/>	<input type="checkbox"/>
3. Will any activities that generate employment opportunities necessitate issuing contracts of \$100,000 or more? If NO, Section 3 does not apply to the contractor, and no additional information is needed.	<input type="checkbox"/>	<input type="checkbox"/>
4. If YES, the following documentation should be completed and maintained on file demonstrating your efforts to enhance the employment of Section 3 residents or businesses:		
a. Types of outreach efforts to inform businesses and area low-income residents of Section 3 opportunities.		
b. Numbers of Section 3 area residents provided jobs and/or training.		
c. Numbers and dollar amounts of contracts awarded to businesses within the Section 3 covered project area (metropolitan area or non-metropolitan county).		
d. Documentation provided by contractor or subcontractors of their outreach efforts, employment and training statistics.		

LOWER INCOME CLARIFICATION

A family who resides in _____, Tennessee and whose income does not exceed the applicable threshold listed below is considered to be a lower income family.

THRESHOLDS:	FAMILY SIZE	INCOME LIMIT
-------------	-------------	--------------

Date: _____	Signature _____	
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POLICY OF NONDISCRIMINATION

The _____ does not discriminate on the basis of race, color, religion, national origin, sex, age or handicapped status in the admission or access to, or treatment or employment in, its federally assisted program or activities.

NAME

ADDRESS

CITY, STATE, ZIP CODE

TELEPHONE NUMBER

has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's (HUD) regulations implementing Section 504 (24 CFR Part 8, dated June 2, 1988), Section 3 (24 CFR Part 135, dated October 23, 1973, Use of Small and Disadvantaged Businesses and Hiring Lower Income Residents of the Project Area), Equal Employment Opportunity Act of 1978 (In House Equal Employment Opportunity), Executive Order 11246, as amended by Executive Order 11375 (Equal Employment Opportunity on Federal Assisted Construction Contracts), and Executive Order 11625 (Minority Entrepreneurship).

**MINORITY EMPLOYMENT GOALS BY ECONOMIC AREA
FOR STATE OF TENNESSEE (U. S. Department of Labor
Federal Register, Volume 45, No. 194, 10/3/80)**

Until further notice, the following goals for minority utilization in each construction craft and trade shall be included in all Federal or Federally assisted construction contracts and subcontracts in excess of \$10,000 to be performed in the respective geographical areas. The goals are applicable to the contractor's aggregate on-site construction workforce whether or not part of that workforce is performing work on a Federal or Federally assisted construction contract or subcontract. A covered contractor or subcontractor shall apply the goals of the relevant area where the contract is being performed. **The female goal for the State is 6.9%.**

MINORITY GOAL (%)	AREA
	051 CHATTANOOGA SMSA
12.5	TN Hamilton TN Marion TN Sequatchie
8.6	Non-SMSA Counties TN Bledsoe TN Bradley TN Grundy TN McMinn TN Meigs TN Monroe TN Polk TN Rhea
	062 JOHNSON CITY- BRISTOL-KINGSPORT SMSA
2.6	TN Carter TN Hawkins TN Sullivan TN Unicoi TN Washington
3.2	Non-SMSA Counties TN-Greene TN Hancock TN Johnson
	053 KNOXVILLE, TN SMSA
6.6	TN Anderson TN Blount TN Knox TN Union
4.5	Non-SMSA Counties TN Campbell TN Claiborne

MINORITY GOAL (%)	AREA
4.5	Non-SMSA Counties TN Cocke TN Cumberland TN Fentress TN Grainger TN Hamblen TN Jefferson TN Loudon TN Morgan TN Roane TN Scott TN Sevier
	054 NASHVILLE SMSA
15.8	TN Cheatham TN Davidson TN Dickson TN Robertson TN Rutherford TN Sumner TN Williamson TN Wilson
12.0	Non-SMSA Counties TN Bedford TN Cannon TN Clay TN Coffee TN DeKalb TN Franklin TN Giles TN Hickman TN Houston TN Humphreys TN Jackson TN Lawrence TN Lewis

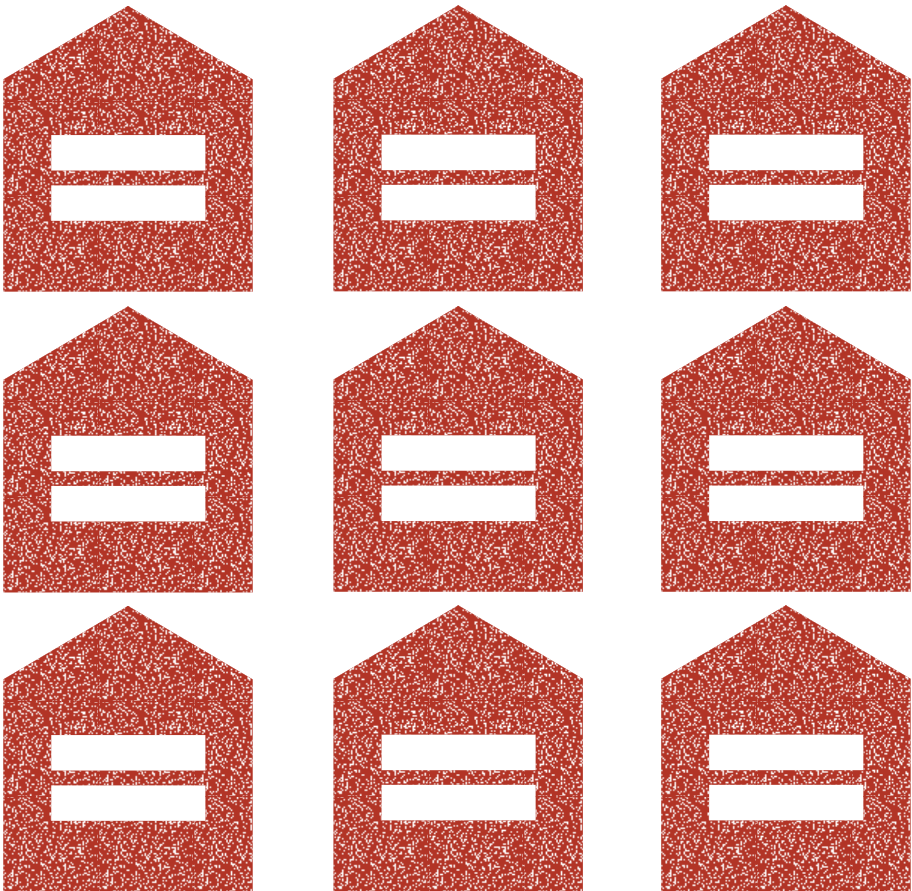
MINORITY GOAL (%)	AREA
	054 NASHVILLE, TN SMSA
12.0	Non-SMSA Counties
	TN Macon
	TN Marshall
	TN Maury
	TN Moore
	TN Overton
	TN Pickett
	TN Putnam
	TN Smith
	TN Stewart
	TN Trousdale
	TN Van Buren
	TN Warren
	TN Wayne
	TN White
	055 MEMPHIS, TN SMSA
32.3	TN Shelby
	TN Tipton
26.5	Non-SMSA Counties
	TN Benton
	TN Carroll
	TN Chester
	TN Crockett
	TN Decatur
	TN Dyer
	TN Fayette
	TN Gibson
	TN Hardeman
	TN Hardin
	TN Haywood
	TN Henderson

MINORITY GOAL (%)	AREA
26.5	Non-SMSA Counties
	TN Henry
	TN Lake
	TN Lauderdale
	TN McNairy
	TN Madison
	TN Obion
	TN Weakley
	050 HUNTSVILLE- FLORENCE, AL SMSA
11.2	Non-SMSA Counties
	TN Lincoln



Fair Housing

Equal Opportunity for All



Please visit our website: www.hud.gov/fairhousing

Fair Housing - Equal Opportunity for All

The rich diversity of our people, coupled with the unity of spirit upon which this nation was founded, is America's true strength. We are a nation that celebrates equality of opportunity, which makes it all the more disturbing when new immigrants, minorities, families with children, and people with disabilities are denied housing because of unfair housing discrimination.

The Department of Housing and Urban Development enforces the Fair Housing Act and the other federal laws that prohibit discrimination and the intimidation of people in their homes. These laws cover virtually all housing in the United States - private homes, apartment buildings, and condominium developments - and nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans.

Equal access to rental housing and homeownership opportunities is the cornerstone of this nation's federal housing policy. Landlords who refuse to rent or sell homes to people based on race, color, national origin, religion, sex, familial status, or disability are violating federal law, and HUD will vigorously pursue them.

Housing discrimination is not only illegal, it contradicts in every way the principles of freedom and opportunity we treasure as Americans. The Department of Housing and Urban Development is committed to ensuring that for everyone seeking a place to live, *all* housing is Fair Housing.



Mel Martinez
Secretary

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U.S. Department of Housing and Urban Development
Secretary Mel Martinez
451 7th Street, S.W.
Washington, DC 20410-2000

The Fair Housing Act

The Fair Housing Act prohibits discrimination in housing because of:

- Race or color
 - National origin
 - Religion
 - Sex
 - Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18)
 - Handicap (Disability)
-

What Housing Is Covered?

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

What Is Prohibited?

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

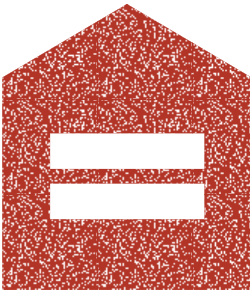
- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In Mortgage Lending: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or
- Set different terms or conditions for purchasing a loan

In Addition: It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
 - Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status or handicap (disability). This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.
-



Additional Protection If You Have A Disability

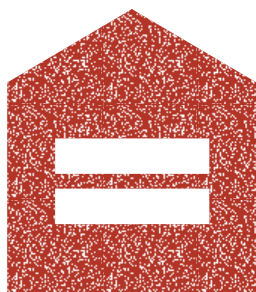
If you or someone associated with you:

- Have a physical or mental disability (including hearing, mobility and visual impairments, cancer, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities
- Have a record of such a disability or
- Are regarded as having such a disability your landlord may not:
- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing

Example: A building with a “no pets” policy must allow a visually impaired tenant to keep a guide dog.

Example: An apartment complex that offers tenants ample, unassigned parking must honor a request from a mobility-impaired tenant for a reserved space near her apartment if necessary to assure that she can have access to her apartment.

However, housing need not be made available to a person who is a direct threat to the health or safety of others or who currently uses illegal drugs.



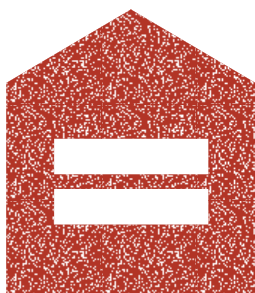
Requirements for New Buildings: In buildings that are ready for first occupancy **after** March 13, 1991, and have an elevator or four or more units:

- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
 - An accessible route into and through the unit
 - Accessible light switches, electrical outlets, thermostats and other environmental controls
 - Reinforced bathroom walls to allow later installation of grab bars and
 - Kitchen and bathrooms that can be used by people in wheelchairs

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units.

These requirements for new buildings do not replace any more stringent standards in State or local law.

Housing Opportunities for Families



Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with:

- A parent
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Exemption: Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program or
- It is occupied solely by persons who are 62 or older or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

If You Think Your Rights Have Been Violated

HUD is ready to help with any problem of housing discrimination. If you think your rights have been violated, you may write a letter or telephone the HUD office nearest you. You have one year after an alleged violation to file a complaint with HUD, but you should file it as soon as possible.

What to Tell HUD

- Your name and address
- The name and address of the person your complaint is against (the respondent)
- The address or other identification of the housing involved
- A short description of the alleged violation (the event that caused you to believe your rights were violated)
- The date(s) of the alleged violation

Where to Write or Call: Send a letter to the fair housing office nearest you, or if you wish, you may call that office directly. (The direct dial and TTY numbers for the deaf/hard of hearing users are not toll free.)

*For Connecticut, Maine, Massachusetts,
New Hampshire, Rhode Island, and Vermont:*

NEW ENGLAND OFFICE (Marcella_Brown@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street, Room 321
Boston, MA 02222-1092
Telephone (617) 994-8300 or 1-800-827-5005
Fax (617) 565-7313 • TTY (617) 565-5453

For New Jersey and New York:

NEW YORK/NEW JERSEY OFFICE (Stanley_Seidenfeld@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
26 Federal Plaza, Room 3532
New York, NY 10278-0068
Telephone (212) 264-1290 or 1-800-496-4294
Fax (212) 264-9829 • TTY (212) 264-0927

*For Delaware, District of Columbia,
Maryland,
Pennsylvania, Virginia, and West Virginia:*

**MID-ATLANTIC OFFICE
(Wanda_Nieves@hud.gov)**

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-9344
Telephone (215) 656-0662 or 1-888-799-2085
Fax (215) 656-3419 • TTY (215) 656-3450

*For Alabama, the Caribbean, Florida, Georgia,
Kentucky, Mississippi, North Carolina,
South Carolina, and Tennessee:*

**SOUTHEAST/CARIBBEAN OFFICE
(Gregory_King@hud.gov)**

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, GA 30303-2808
Telephone (404) 331-5140 or 1-800-440-8091
Fax (404) 331-1021 • TTY (404) 730-2654

*For Illinois, Indiana, Michigan, Minnesota,
Ohio, and Wisconsin:*

**MIDWEST OFFICE
(Barbara_Knox@hud.gov)**

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, IL 60604-3507
Telephone (312) 353-6236 or 1-800-765-9372
Fax (312) 886-2837 • TTY (312) 353-7143

*For Arkansas, Louisiana, New Mexico,
Oklahoma, and Texas:*

SOUTHWEST OFFICE

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
801 North Cherry, 27th Floor
Fort Worth, TX 76102
Telephone (817) 978-5900 or 1-888-560-8913
Fax (817) 978-5876 or 5851 • TTY (817) 978-5595

For Iowa, Kansas, Missouri and Nebraska:

GREAT PLAINS OFFICE

(Robbie_Herndon@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Gateway Tower II
400 State Avenue, Room 200, 4th Floor
Kansas City, KS 66101-2406
Telephone (913) 551-6958 or 1-800-743-5323
Fax (913) 551-6856 • TTY (913) 551-6972

*For Colorado, Montana, North Dakota,
South Dakota, Utah, and Wyoming:*

ROCKY MOUNTAINS OFFICE

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
633 17th Street
Denver, CO 80202-3607
Telephone (303) 672-5437 or 1-800-877-7353
Fax (303) 672-5026 • TTY (303) 672-5248

For Arizona, California, Hawaii, and Nevada:

PACIFIC/HAWAII OFFICE
(Charles_Hauptman@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Phillip Burton Federal Building
and U.S. Courthouse
450 Golden Gate Avenue
San Francisco, CA 94102-3448
Telephone (415) 436-8400 or 1-800-347-3739
Fax (415) 436-8537 • TTY (415) 436-6594

For Alaska, Idaho, Oregon, and Washington:

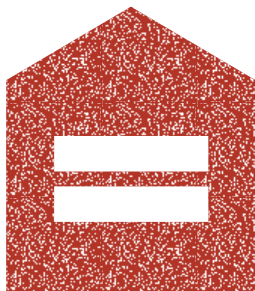
NORTHWEST/ALASKA OFFICE
(Judith_Keeler@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing
and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 205
Seattle, WA 98104-1000
Telephone (206) 220-5170 or 1-800-877-0246
Fax (206) 220-5447 • TTY (206) 220-5185

*If after contacting the local office nearest you,
you still have questions - you may contact HUD
further at:*

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity
451 7th Street, S.W., Room 5204
Washington, DC 20410-2000
Telephone (202) 708-0836 or 1-800-669-9777
Fax (202) 708-1425 • TTY 1-800-927-9275

What Happens When You File A Complaint?



If You Are Disabled: HUD also provides:

- A TTY phone for the deaf/hard of hearing users; see above list for the HUD office *nearest* you.
 - Interpreters
 - Tapes and braille materials
 - Assistance in reading and completing forms
-

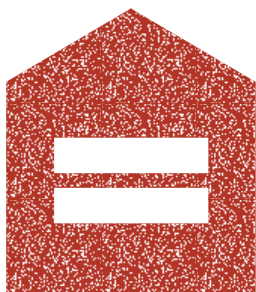
HUD will notify you when it receives your complaint. Normally, HUD also will:

- Notify the alleged violator of your complaint and permit that person to submit an answer
- Investigate your complaint and determine whether there is reasonable cause to believe the Fair Housing Act has been violated
- Notify you if it cannot complete an investigation within 100 days of receiving your complaint

Conciliation: HUD will try to reach an agreement with the person your complaint is against (the respondent). A conciliation agreement must protect both you and the public interest. If an agreement is signed, HUD will take no further action on your complaint. However, if HUD has reasonable cause to believe that a conciliation agreement is breached, HUD will recommend that the Attorney General file suit.

Complaint Referrals: If HUD has determined that your State or local agency has the same fair housing powers as HUD, HUD will refer your complaint to that agency for investigation and notify you of the referral. That agency must begin work on your complaint within 30 days or HUD may take it back.

Does the U.S. Department of Justice Play A Role?



If you need immediate help to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to assist you as soon as you file a complaint. HUD may authorize the United States Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of your complaint, if:

- Irreparable harm is likely to occur without HUD's intervention
- There is substantial evidence that a violation of the Fair Housing Act occurred

Example: A builder agrees to sell a house but, after learning the buyer is black, fails to keep the agreement. The buyer files a complaint with HUD. HUD may authorize the Attorney General to go to court to prevent a sale to any other buyer until HUD investigates the complaint.

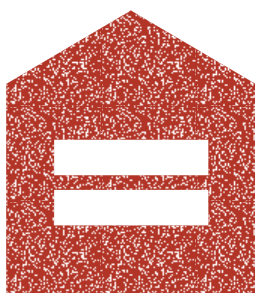
What Happens After A Complaint Investigation?

If, after investigating your complaint, HUD finds reasonable cause to believe that discrimination occurred, it will inform you. Your case will be heard in an administrative hearing within 120 days, unless you or the respondent want the case to be heard in Federal district court. Either way, there is no cost to you.

The Administrative Hearing: If your case goes to an administrative hearing HUD attorneys will litigate the case on your behalf. You may intervene in the case and be represented by your own attorney if you wish. An Administrative Law Judge (ALJ) will consider evidence from you and the respondent. If the ALJ decides that discrimination occurred, the respondent can be ordered:

- To compensate you for actual damages, including humiliation, pain and suffering.
- To provide injunctive or other equitable relief, for example, to make the housing available to you.
- To pay the Federal Government a civil penalty to vindicate the public interest. The maximum penalties are \$11,000 for a first violation, \$27,500 for a previous violation within the preceding five year period and \$55,000 for two or more previous violations within the preceding seven years.
- To pay reasonable attorney's fees and costs.

Federal District Court: If you or the respondent choose to have your case decided in Federal District Court, the Attorney General will file a suit and litigate it on your behalf. Like the ALJ, the District Court can order relief, and award actual damages, attorney's fees and costs. In addition, the court can award punitive damages.



In Addition

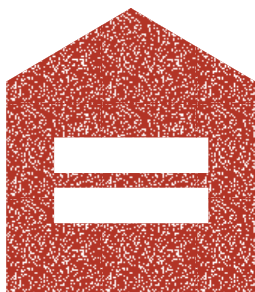
You May File Suit: You may file suit, at your expense, in Federal District Court or State Court within two years of an alleged violation. If you cannot afford an attorney, the court may appoint one for you. You may bring suit even after filing a complaint, if you have not signed a conciliation agreement and an Administrative Law Judge has not started a hearing. A court may award actual and punitive damages and attorney's fees and costs.

Other Tools to Combat Housing Discrimination:

- If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.
- The Attorney General may file a suit in Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring.

For Further Information:

The purpose of this brochure is to summarize your right to fair housing. The Fair Housing Act and HUD's regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the HUD fair housing office nearest you. See the list of Fair Housing Enforcement Centers on page 6-9.



Housing Discrimination Complaint

U.S. Department of Housing
and Urban Development
Office of Fair Housing
and Equal Opportunity

OMB Approval No. 2529-0011

Please type or print this form

Public Reporting Burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Read this entire form and all the instructions carefully before completing. All questions should be answered. However, if you do not know the answer or if a question is not applicable, leave the question unanswered and fill out as much of the form as you can. Your complaint should be signed and dated. Where more than one individual or organization is filing the same complaint, and all information is the same, each additional individual or organization should complete boxes 1 and 7 of a separate complaint form and attach it to the original form. Complaints may be presented in person or mailed to the HUD State Office covering the State where the complaint arose (see list on back of form), or any local HUD Office, or to the Office of Fair Housing and Equal Opportunity, U.S. Department of HUD, Washington, D.C. 20410.

This section is for HUD use only.

Number	(Check the applicable box) <input type="checkbox"/> Referral & Agency (specify) <input type="checkbox"/> Systemic <input type="checkbox"/> Military Referral	Jurisdiction <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Additional Info	Signature of HUD personnel who established Jurisdiction
Filing Date			

1. Name of Aggrieved Person or Organization (last name, first name, middle initial) (Mr.,Mrs.,Miss,Ms.)	Home Phone	Business Phone
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Street Address (city, county, State & zip code)

2. Against Whom is this complaint being filed? (last name, first name, middle initial)	Phone Number
--	--------------

Street Address (city, county, State & zip code)

Check the applicable box or boxes which describe(s) the party named above:

☐ Builder ☐ Owner ☐ Broker ☐ Salesperson ☐ Supt. or Manager ☐ Bank or Other Lender ☐ Other

If you named an individual above who appeared to be acting for a company in this case, check this box ☐ and write the name and address of the company in this space:

Name:	Address
-------	---------

Name and identify others (if any) you believe violated the law in this case:

3. What did the person you are complaining against do? Check all that apply and give the most recent date these act(s) occurred in block No. 6a below.

☐ Refuse to rent, sell, or deal with you ☐ Falsely deny housing was available ☐ Engage in blockbusting ☐ Discriminate in broker's services
☐ Discriminate in the conditions or terms of sale, rental occupancy, or in services or facilities ☐ Advertise in a discriminatory way ☐ Discriminate in financing ☐ Intimidated, interfered, or coerced you to keep you from the full benefit of the Federal Fair Housing Law
☐ Other (explain)

4. Do you believe that you were discriminated against because of your race, color, religion, sex, handicap, the presence of children under 18, or a pregnant female in the family or your national origin? Check all that apply.

<input type="checkbox"/> Race or Color <input type="checkbox"/> Black <input type="checkbox"/> White <input type="checkbox"/> Other	<input type="checkbox"/> Religion (specify)	<input type="checkbox"/> Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Handicap <input type="checkbox"/> Physical <input type="checkbox"/> Mental	<input type="checkbox"/> Familial Status <input type="checkbox"/> Presence of children under 18 in the family <input type="checkbox"/> Pregnant female	<input type="checkbox"/> National Origin <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian or Pacific Islander <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Other (specify)
--	---	--	---	--	---

5. What kind of house or property was involved? <input type="checkbox"/> Single-family house <input type="checkbox"/> A house or building for 2, 3, or 4 families <input type="checkbox"/> A building for 5 families or more <input type="checkbox"/> Other, including vacant land held for residential use (explain)	Did the owner live there? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown	Is the house or property <input type="checkbox"/> Being sold? <input type="checkbox"/> Being rented?	What is the address of the house or property? (street, city, county, State & zip code)
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6. Summarize in your own words what happened. Use this space for a brief and concise statement of the facts. Additional details may be submitted on an attachment.
Note: HUD will furnish a copy of the complaint to the person or organization against whom the complaint is made.

6a. When did the act(s) checked in Item 3 occur? (Include the most recent date if several dates are involved)

7. I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.	Signature & Date
--	------------------

What Does the Fair Housing Amendments Act of 1988 Provide?

The Fair Housing Act declares that it is national policy to provide fair housing throughout the United States and prohibits eight specific kinds of discriminatory acts regarding housing if the discrimination is based on race, color, religion, sex, handicap, familial status or national origin.

1. Refusal to sell or rent or otherwise deal with a person.
2. Discriminating in the conditions or terms of sale, rental, or occupancy.
3. Falsely denying housing is available.
4. "Blockbusting"—causing person(s) to sell or rent by telling them that members of a minority group are moving into the area.
6. Discrimination in financing housing by a bank, savings and loan association, or other business.
7. Denial of membership or participation in brokerage, multiple listing, or other real estate services.
8. Interference, coercion, threats or intimidation to keep a person from obtaining the full benefits of the Federal Fair Housing Law and/or filing a complaint.

What Does the Law Exempt?

The first three acts listed above do not apply (1) to any single family house where the owner in certain circumstances does not seek to rent or sell it through the use of a broker or through discriminatory advertising, nor (2) to units in houses for two-to-four families if the owner lives in one of the units.

What Can You Do About Violations of the Law?

Remember, the Fair Housing Act applies to discrimination based on race, color, religion, sex, handicap, familial status, or national origin. If you believe you have been or are about to be, discriminated against or otherwise harmed by the kinds of discriminatory acts which are prohibited by law, you have a right, within 1 year after the discrimination occurred to:

1. **Complain to the Secretary of HUD** by filing this form by mail or in person. HUD will investigate. If it finds the complaint is covered by the law and is justified, it will try to end the discrimination by conciliation. If conciliation fails, other steps will be taken to enforce the law. In cases where State or local laws give the same rights as the Federal Fair Housing Law, HUD must first ask the State or local agency to try to resolve the problem.
2. **Go directly to Court** even if you have not filed a complaint with the Secretary. The Court may sometimes be able to give quicker, more effective, relief than conciliation can provide and may also, in certain cases, appoint an attorney for you (without cost).

You Should Also Report All Information about violations of the Fair Housing Act to HUD even though you don't intend to complain or go to court yourself.

Additional Details. If you wish to explain in detail in an attachment what happened, you should consider the following:

1. If you feel that others were treated differently from you, please explain the facts and circumstances.
2. If there were witnesses or others who know what happened, give their names, addresses, and telephone numbers.
3. If you have made this complaint to other government agencies or to the courts, state when and where and explain what happened.

Racial/Ethnic Categories

1. **White (Non Hispanic)**—A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
2. **Black (Non Hispanic)**—A person having origins in any of the black racial groups of Africa.
3. **Hispanic**—A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race.
4. **American Indian or Alaskan Native**—A person having origins in any of the original peoples of North America, and who maintains, cultural identification through tribal affiliation or community recognition.
5. **Asian or Pacific Islander**—A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and Samoa.

You can obtain assistance (a) in learning about the Fair Housing Act, or (b) in filing a complaint at the HUD Regional Offices listed below:

For Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont:

NEW ENGLAND OFFICE (Marcella_Brown@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street, Room 321
Boston, MA 02222-1092
Telephone (617) 994-8300 or 1-800-827-5005
Fax (617) 565-7313 • TTY (617) 565-5453

For New Jersey and New York

New York/New Jersey Office (Stanley_Seidenfeld@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
26 Federal Plaza, Room 3532
New York, NY 10278-0068
Telephone (212) 264-1290 or 1-800-496-4294
Fax (212) 264-9829 • TTY (212) 264-0927

For Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia

MID-ATLANTIC OFFICE (Wanda_Nieves@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-9344
Telephone (215) 656-0662 or 1-888-799-2085
Fax (215) 656-3419 • TTY (215) 656-3450

For Alabama, the Caribbean, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee:

SOUTHEAST/CARIBBEAN OFFICE
(Gregory_L._King@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, GA 30303-2806
Telephone (404) 331-5140 or 1-800-440-8091
Fax (404) 331-1021 • TTY (404) 730-2654

For Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin:

MIDWEST OFFICE (Barbara_Knox@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, IL 60604-3507
Telephone (312) 353-7776 or 1-800-765-9372
Fax (312) 886-2837 • TTY (312) 353-7143

For Arkansas, Louisiana, New Mexico, Oklahoma, and Texas:

SOUTHWEST OFFICE (Thurman G. Miles@hud.gov or Garry_L._Sweeney@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
801 North Cherry, 27th Floor
Fort Worth, TX 76102
Telephone (817) 978-5900 or 1-888-560-8913
Fax (817) 978-5876 or 5851 • TTY (817) 978-5595

For Iowa, Kansas, Missouri and Nebraska:

GREAT PLAINS OFFICE (Robbie_Herndon@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Gateway Tower II
400 State Avenue, Room 200, 4th Floor
Kansas City, KS 66101-2406
Telephone (913) 551-6958 or 1-800-743-5323
Fax (913) 551-6856 • TTY (913) 551-6972

For Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming:

ROCKY MOUNTAINS OFFICE (Sharon_L._Santoya@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
633 17th Street
Denver, CO 80202-3690
Telephone (303) 672-5437 or 1-800-877-7353
Fax (303) 672-5026 • TTY (303) 672-5248

For Arizona, California, Hawaii, and Nevada:

PACIFIC/HAWAII OFFICE (Charles_Hauptman@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Phillip Burton Federal Building and U.S. Courthouse
450 Golden Gate Avenue
San Francisco, CA 94102-3448
Telephone (415) 436-8400 or 1-800-347-3739
Fax (415) 436-8537 • TTY (415) 436-6594

For Alaska, Idaho, Oregon, and Washington:

NORTHWEST/ALASKA OFFICE (Judith_Keeler@hud.gov)

Fair Housing Enforcement Center
U.S. Department of Housing and Urban Development
Seattle Federal Office Building
909 First Avenue, Room 205
Seattle, WA 98104-1000
Telephone (206) 220-5170 or 1-800-877-0246
Fax (206) 220-5447 • TTY (206) 220-5185

If after contacting the local office nearest you, you still have questions – you may contact HUD further at:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
451 7th Street, S.W., Room 5204
Washington, DC 20410-2000
Telephone (202) 708-0836 or 1-800-669-9777
Fax (202) 708-1425 • TTY 1-800-927-9275

Privacy Act of 1974 (P.L. 93-579)

Authority: Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, (P.L. 100-430).

Purpose: The information requested on this form is to be used to investigate and to process housing discrimination complaints.

Use: The information may be disclosed to the United States Department of Justice for its use in the filing of pattern or practice suits of housing discrimination or the prosecution of the person who committed the discrimination where violence is involved; and to state or local fair housing agencies which administer substantially equivalent fair housing laws for complaint processing.

Penalty: Failure to provide some or all of the requested information will result in delay or denial of HUD assistance.

Disclosure of this information is voluntary.

For further information call the Toll-free Fair Housing Complaint Hotline 1-800-669-9777.
Hearing Impaired persons may call (TDD) 1-800-927-9275.

CHAPTER SEVEN

LABOR STANDARDS

1. OVERVIEW

1.1. The Davis-Bacon Act, the Contract Work Hours and Safety Standards Act and the Copeland (Anti-Kickback) Act apply to if ANY of the following conditions are met:

1. Twelve (12) or more HOME-assisted units will be rehabilitated or constructed under one construction contract, whether rental or homeownership. HOME regulations prohibit breaking a single project into multiple contracts for the purpose of avoiding Davis-Bacon requirements.
 - a. The standard for coverage is the number of units *assisted* with HOME funds. This means Davis-Bacon requirements are operable without regard to whether HOME funds are used for construction or non-construction activities. Non-construction activities include real property acquisition, architectural and engineering fees, and other professional services.
 - b. HOME funds used only to assist homebuyers to acquire single-family housing, and not for any other project costs, may trigger Davis-Bacon for the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance.
 - c. HOME projects can contain units that are not assisted by HOME. The threshold applies only to the number of units assisted by HOME. For unit threshold purposes, use the number of units identified as *HOME* units under program definition whether determined on a pro-rata basis, specific designation or other means allowable by HUD.

Note that once Davis-Bacon requirements are triggered, the labor standards are applicable to the construction of the entire project, including the portions of the project other than the assisted units.

2. Community Development Block Grant (CDBG) funds are being used to support the project which requires that a lower number of units be used as a threshold. For example: if CDBG funds are being used, then these acts apply if eight (8) or more units are under one contract or in one project.
3. The construction includes commercial/community space and the cost will exceed \$2,000.00.
4. Mortgage insurance under section 223(f) of the National Housing Act is obtained on the project and the construction costs exceed \$6,500.00 per dwelling unit.

5. The Fair Labor Standards Act (minimum wage) will be applicable in most cases, whether or not the previous acts apply.

1.2 **EXCEPTIONS** - The Davis-Bacon Act does not apply to an individual who:

1. Performs a service or services for which the individual has volunteered, and thus receives no compensation;
2. Receives payment for expenses, reasonable benefits, or a nominal fee to perform services for which the individual has volunteered, and such persons are not otherwise employed at any time in the construction work.
3. Participates in a sweat equity program which permits members of an eligible family to provide labor in exchange for acquisition of property for homeownership or to provide labor in lieu of, or as a supplement to, rent payments.

2. BASIC STATUTORY PROVISIONS

- 2.1 **DAVIS-BACON AND RELATED ACT** - Ensures that mechanics and laborers employed in construction work under federally assisted contracts are paid wages and fringe benefits equal to those which prevail in the locality where the work is performed. This act also provides for the withholding of funds to ensure compliance, and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs.
- 2.2 **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (CWHSSA)** - Provides that mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week, and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.
- 2.3 **COPELAND (ANTI-KICKBACK) ACT** - Governs the deductions from paychecks which are allowable and makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which he/she is entitled, and requires the submittal of weekly payrolls and statements of compliance by all contractors.
- 2.4 **FAIR LABOR STANDARDS ACT OF 1938 AS AMENDED** - Establishes the basic minimum wage for all work and requires the payment of over-time at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work, and establishes child labor standards.

3. KEY LABOR STANDARDS OBJECTIVES

- 3.1 Apply Davis-Bacon requirements properly. Make certain that labor standards, including Davis-Bacon prevailing wage rates, are applied where required. Ensure that any exemptions or exceptions are identified.

- 3.2 Through education and advice, support contractor compliance with labor standards. Provide basic training and technical support to contractors to ensure that they understand their obligations under prevailing wage and reporting requirements.
- 3.3 Monitor contractor performance. Perform reviews of certified payroll submissions and other information to help ensure contractor compliance with labor standards provisions and the payment of prevailing wages to workers.
- 3.4 Investigate probable violations and complaints of underpayment. Thoroughly explore any evidence of violations, especially allegations of underpayment.
- 3.5 Pursue debarment and other available sanctions against repeat labor standards violators. Carry-out a no-tolerance policy toward contractors who violate prevailing wage laws.

4. GRANTEE RESPONSIBILITIES FOR DAVIS-BACON LABOR STANDARDS

- 4.1 Each Grantee must designate a Labor Standards Officer (Program Administrator) who will be responsible to ensure compliance with all applicable labor standards requirements. Most of the tasks described in the remaining portion of this chapter will be carried out by this individual.
- 4.2 The Grantee should establish a construction contract management system which encourages an open and competitive bidding process. The management system must meet the administrative standards of 24 CFR 85 (Cities and Counties) or 24 CFR 84 (Non-profit agencies) as applicable.
- 4.3 Ensure that all bid documents, contracts and subcontracts for Davis-Bacon covered work contain Federal labor standards provisions and the applicable Davis-Bacon wage decision.
- 4.4 Ensure that no contract is awarded to a contractor that is ineligible (e.g., debarred) for Federally-assisted work.
- 4.5 Conduct on-site inspections including interviews with laborers and mechanics employed on the construction project. Ensure that the applicable Davis-Bacon wage decision and the Department of Labor's "Notice to Employees" are posted at the job site.
- 4.6 Review certified payroll reports and related documentation. Identify any discrepancies and/or violations. Ensure any needed corrections are made promptly.
- 4.7 Maintain full documentation of Federal labor standards administration and enforcement activities.
- 4.8 Refer potential criminal or complex investigations to HUD in addition to Contract Work Hours and Safety Standards Act (CWHSSA) liquidated damages assessments for overtime violations and debarment recommendations.
- 4.9 Comply with all HUD requirements concerning special statutory, program and/or other requirements.

- 4.10 Prepare Federal labor standards enforcement reports as required in Department of Labor (DOL) regulations (29 CFR Part 5, §5.7).

5. LABOR STANDARDS ADMINISTRATION

Labor Standards Administration involves activities that take place primarily before construction begins. Administration sets the stage for the enforcement activities that occur during the construction phase.

- 5.1 **DETERMINE THE APPLICABILITY OF THE DAVIS-BACON WAGE REQUIREMENTS** – Davis-Bacon requirements are applicable to contracts for construction covering 12 or more HOME-assisted units. Davis-Bacon does not follow “construction work” or “projects”. This factor has implications in two ways:

1. A HOME project with 12 or more assisted units that is constructed under multiple contracts each containing less than 12 HOME units is not covered. *(Note: HOME regulations prohibit breaking a single project into multiple contracts for the purpose of avoiding Davis-Bacon.)*
2. If multiple HOME projects each containing less than 12 assisted units are grouped into a contract(s) for construction that covers a total of 12 or more assisted units, the contract is covered.

Assuming that a determination has been made that Davis-Bacon wage rates are applicable:

- 5.2 **PREPARE THE BID DOCUMENTS/CONTRACT** – The contract for construction is the vehicle to ensure contractor compliance and Davis-Bacon wage enforcement. Therefore, the bid specifications and/or the contract for each project subject to Davis-Bacon wage rates must contain both a Davis-Bacon wage decision and its own labor standards clauses, plus work write-up, general conditions, and any special conditions. These are usually bound into the contract specifications. (See LB-2 Sample Advertisement and Invitation for Bids.)

1. **DAVIS-BACON WAGE DECISIONS.** The Davis-Bacon wage decision (LB-1) is a listing of various construction work job classifications (such as Carpenter, Electrician, Plumber, Laborer, etc.) and the minimum wage rates (and fringe benefits, where prevailing) that people performing work in those classifications must be paid. Current Davis-Bacon wage decisions are available on-line at: www.access.gpo.gov/davisbacon.
2. **LABOR STANDARDS CLAUSES.** The labor standards clauses obligate the contractor to comply with Davis-Bacon wage and reporting requirements and provide for remedies and sanctions should violations occur. (See LB-3 Federal Labor Standards Provisions.)

- 5.3 **TEN-DAY CALL** – No more than ten (10) days prior to the bid opening and/or award of the contract, the Labor Standards Officer must determine if the wage decision(s) included in the bid package are still current. Following this call, the Labor Standards Officer will send THDA a confirmation of this call (LB-4).

- 5.4 **VERIFY CONTRACTOR ELIGIBILITY.** Once the contractor has been selected, the Labor Standards Officer must verify that the contractor is not ineligible (e.g., debarred) from participation in Federal programs. Only the eligibility of the prime contractor must be verified. The debarred contractor list is available on-line at <http://epls.arnet.gov>. (See HO-13 Contractors Certification of Eligibility to Participate in Chapter Ten.)
- 5.5 **PROVIDE CONTRACTOR TRAINING.** The Labor Standards Officer must make certain that the contractor understands his/her responsibilities for Davis-Bacon compliance. The principal contractor (also referred to as the prime or general contractor) is responsible for the full compliance of all employers (the contractor, subcontractors and any lower tier subcontractors) with labor standards provisions applicable to the project. HUD has published a *Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects* which provides basic information and instructions to contractors concerning Davis-Bacon wage and reporting requirements. The Guide is available in a download-able PDF file at www.hud.gov/offices/olr (HUD Office of Labor Relations Library).
1. Although there are many good reasons to hold a preconstruction conference such as discussing construction inspections, progress and contractor payment requirements, Section 3 employment and training and other issues particular to the project, a preconstruction conference for labor standards purposes is no longer required.
 2. HUD has determined that basic training for contractors unfamiliar with Davis-Bacon projects can be provided more efficiently through the printed guides referenced above.

6. LABOR STANDARDS ENFORCEMENT

Labor Standards Enforcement involves the activities that take place during construction to ensure contractor compliance.

- 6.1 **POSTING THE WAGE DECISION AND NOTICE TO EMPLOYEES.** The contractor is required to display on the job site a copy of the applicable Davis-Bacon wage decision and the *Notice to Employees* (LB-5). The purpose of the posting is to provide information to the construction laborers and mechanics working on the project about their entitlement to the prevailing wage rate for their trade and to inform them of whom to contact if they have any questions or want to file a complaint.
1. **PROJECT WAGE RATE SHEET (LB-1).** Many wage decisions are multi-paged and cover several counties and/or more than one type of construction. While it is recommended that the full wage decision be used in the construction contract to obligate the compliance of the prime contractor and any subcontractors, a Project Wage Sheet is a one-page listing of the work classifications and wage rates that are applicable to the project for posting on the job site. The Project Wage Sheet also spells out more clearly the work classifications and wage rates contained in the wage decision for the contractor and subcontractors, and is more helpful as a ready reference for Labor Standards Officers reviewing payroll reports. This form is available on-line in an on-screen fillable format at HUDClips: www.hudclips.org/cqi/index.cqi

2. **NOTICE TO EMPLOYEES.** The Notice to Employees form is available on-line at HUDClips. The Notice is also available in Spanish text from the HUD Labor Relations Field Staff.

- 6.2 **CONDUCT ON-SITE INTERVIEWS WITH LABORERS AND MECHANICS.** The Labor Standards Officer must periodically conduct interviews with the construction workers on the job site. The purpose of the interviews is to capture observations of the work being performed and to get the workers' views on the hours they work, the type of work they perform and the wages they receive. Information gathered during the interviews is recorded on *Record of Employee Interview* (LB-7). The forms are compared to the corresponding contractor and subcontractor certified payrolls (LB-6) to test and verify the accuracy of the payroll information.

The Labor Standards Officer can target on-site interviews with laborers and mechanics as a proactive enforcement tool rather than a means to meet a "representative sampling" quota of all laborers and mechanics on the project. Rather than conducting interviews randomly for the sake of assembling a sample, the Labor Standards Officer is encouraged to focus interviews to projects or groups of workers where violations are suspected or alleged. The on-site interviews can be used to support a specific on-going investigation. While such focusing may mean fewer on-site interviews may be conducted randomly, focusing is a more effective means of utilizing on-site interview resources.

- 6.3 **REVIEW CONTRACTOR AND SUBCONTRACTOR CERTIFIED PAYROLL REPORTS.** The Labor Standards Officer reviews the payroll reports generally to ensure that all laborers and mechanics are being paid no less than the wage rates contained on the applicable Davis-Bacon wage decision for the type of work they perform. The Labor Standards Officer should be particularly alert for indications of payroll falsification--misinformation on payrolls to conceal underpayments. Falsification on payrolls indicates a contractor or subcontractor is aware of its obligations, is knowingly underpaying the employees and is attempting to avoid detection of the violations.

1. *PAYROLLS* - (LB-6) must be submitted weekly to the Labor Standards Officer for review and verification of compliance with labor standards. The week ending period must be clearly marked and all data on each employee must be entered on the first payroll. Any supplemental or corrected payrolls must be submitted in like manner. Payrolls must be submitted to the locality no later than 7 calendar days following the end of the work week.
2. *DISCREPANCIES AND/OR UNDERPAYMENTS ON THE PAYROLLS.* Some underpayments and other errors can appear on the face of the payroll (i.e., do not involve falsification.) In these cases, the Labor Standards Officer contacts the employer and/or the prime contractor and provides instructions as to what steps should be taken to correct the payroll and to pay any back wages that may be due to the affected workers.
2. *INDICATIONS OF FALSIFICATION ON PAYROLLS.* Information reported on payrolls that indicates falsification suggests much more serious violations in terms of the amount of back wages that may be due and the number of employees affected. Such cases most often warrant investigation which can include on-site interviews with the workers, mailing questionnaires to employees (LB-8), taking written statements or complaints (LB-9), and other methods to

gather and assess the facts of the case. **See Attachment IV: Payroll Falsification Indicators.**

3. Routine payroll review results can be communicated to the employer and/or prime contractor by telephone and documented with a record to the file. Examples of the types of issues that could easily be addressed informally include a missing report or missing apprenticeship certificate, requests for employee authorizations for deductions, and small underpayments that appear on the face of the payroll. If the employer and/or prime contractor does not respond appropriately to this type of communication, it may be necessary to resort to more formal, written means.

6.4 **INVESTIGATE PROBABLE VIOLATIONS AND COMPLAINTS OF UNDERPAYMENT.** The Labor Standards Officer must investigate probable violations, particularly those involving falsification of payrolls and complaints alleging underpayments.

6.5 **RECOMMEND DEBARMENT AGAINST REPEAT VIOLATORS.** HUD has implemented a no-tolerance policy against contractors who repeat violations of Davis-Bacon labor standards. The first time an employer is found in violation, the employer is required to pay full restitution to all affected workers and to pay any CHWSSA liquidated damages (for overtime violations) which may be assessed. In addition, the employer must provide a written assurance of future compliance. If the employer promptly completes the corrective actions, the Labor Standards Officer does not have to recommend debarment against the employer unless there are extenuating circumstances which warrant debarment. If the employer is found in violation again, the Labor Standards Officer must require full correction of any underpayments and payment of CWHSSA liquidated damages computed and a debarment recommendation by the Labor Standards Officer against the employers is expected.

7. MONITORING RESPONSIBILITIES

7.1 The Labor Standards Officer is responsible for the following monitoring responsibilities and reports:

1. Interviews of the workers must be conducted on a regular basis and should include a representative sampling of the work classifications being employed on the project (LB-7)
2. On-site inspections should be made to ensure that the required notices are being posted.
3. Weekly payrolls should be reviewed and compared with employee interviews and wage rates to verify compliance with applicable labor standards requirements (e.g. payment of minimum wages, payment of over-time, no ineligible deduction, etc.).

5.2 Once the project is completed, a final wage compliance report shall be filed with THDA (LB-10).

8. RECORDKEEPING REQUIREMENTS

- 8.1 For each construction contract, the Grantee should maintain a file with the following documentation:
1. Copy of Wage Rate Request
 2. Copy of Wage Rate
 3. Bid/Contract Documents with labor standards provisions
 4. Ten-day Call Verification
 5. Payrolls, with evidence of their review
 6. Employee interviews
 7. Evidence of any violations and steps taken to resolve these

ATTACHMENT IV: PAYROLL FALSIFICATION INDICATORS

Certified payroll reports are fairly straightforward records of employees, work classification, hours worked, rate(s) of pay, gross earnings, deductions and net wages paid. The information required for certified payrolls involves no more than the information any responsible employer must maintain concerning its basic business operations.

Davis-Bacon compliance basically involves three factors: 1. The type (classification) of work performed; 2. The number of hours worked; and 3. The prevailing wage rate for that classification. A fourth factor involves the actual payment of wages by check and/or cash. In order to conceal underpayments, a willfully violating employer must falsify the payroll report as it pertains to one or more of these factors. There are four falsification indicators that are easy to detect on certified payrolls in a "spot-check":

1. **Ratio of laborers to mechanics** – Look for excessive use of laborers over mechanics. Generally there should be no more than one laborer for each mechanic (1:1) except for landscaping, or cement or other paving work.
Indicative of: Misclassification – Workers are performing higher-paying mechanic duties but are misclassified and paid at lower Laborer wage rates.
2. **Too few or irregular hours** – Look for employees that never work 40 hours per week; for crews that work in a scattered fashion; for hours reported in tenths or hundredths (e.g., 13.6 hours). Most people work a 40-hour workweek. Most crews work together on a job site. Most employers and employees track work hours by whole, half and quarter hours not by tenths or hundredths.
Indicative of: Reduction of Hours – Actual hours worked are reduced to "fit" in a fabricated calculation: (Reduced hours) x (Rate required on wage decision) = Substandard wages actually paid based upon a lower rate of pay.
3. **Discrepancies in wage computations** – Look for gross wages paid in "round" numbers (e.g., \$700) that don't agree with the product of reported hours multiplied by the rate of pay. For example, a payroll showing 20 hours times \$33.68 (the rate on the wage decision) and gross wages of \$700. (20 hours times \$33.68 equals \$676.60 *not* \$700).
Indicative of: Falsification of rate of pay such as piece work or lower (but more even) rate – For example, the wage decision requires \$33.68/hour for the type or work performed but the employer chooses to pay \$17.50 per hour. (40 times \$17.50 equals \$700). The employer can't make the fabricated calculation "fit" precisely because the Davis-Bacon wage rate is not an even figure.
4. **Extraordinary deductions** – Look for unidentified or disproportionate deductions, for example, an employee whose savings account deduction is nearly as much or more than the weekly take-home pay.
Indicative of: Kickbacks or basic underpayment – The employer takes his "cut" from the back end of the computation (after gross earnings) rather than the front end (falsifying the classification, hours or wage rate).

If these indicators appear on payrolls you will want to take preliminary steps to test whether the payrolls are accurate or false. For example, you can target on-site interviews or send questionnaires to the affected workers to get their perspective and compare the interview and/or questionnaire statements to the payroll reports. If an investigation is warranted, you will want to learn what information on the payrolls is false and what is true. (Employers rarely falsify *all* of the information on payrolls). Eventually, you will need to compute the amounts of backwages that are due and knowing what information on the payroll is true can be critical to making these computations

Project Wage Rate Sheet

Project Name:			Wage Decision/Modification Number:			
Project Number:			Project County:			
WORK CLASSIFICATION	BASIC HOURLY RATE (BHR)	FRINGE BENEFITS	TOTAL HOURLY WAGE RATE	LABORERS FRINGE BENEFITS:		\$
Bricklayers			\$	GROUP #	BHR	TOTAL WAGE
Carpenters			\$			
Cement Masons			\$			
Drywall Hangers			\$			
Electricians			\$			
Iron Workers			\$			
Painters			\$	OPERATORS FRINGE BENEFITS		\$
Plumbers			\$	GROUP #	BHR	TOTAL WAGE
Roofers			\$			
Sheet Metal Workers			\$			
Soft Floor Layers			\$			
Tapers			\$			
Tile Setters			\$	TRUCK DRIVERS FRINGE BENEFITS		\$
OTHER CLASSIFICATIONS				GROUP #	BHR	TOTAL WAGE
			\$			
			\$			
			\$			
ADDITIONAL CLASSIFICATIONS (HUD FORM 4230-A)						
WORK CLASSIFICATION	BASIC HOURLY RATE	FRINGE BENEFITS	TOTAL HOURLY WAGE RATE	DATE OF HUD SUBMISSION TO DOL	DATE OF DOL APPROVAL	

Form HUD-4720 (03/2004)

SAMPLE ADVERTISEMENT AND INVITATION FOR BIDS

The *(Name of Local Public Agency)* will receive Bids for *(Brief description of site improvements and project information)* until _____, ____M., *(Standard time)* *(Daylight savings time)* on the _____ day of _____ 19____, at *(Address of Local Public Agency), (City) (Zip Code)* at which time and place will be publicly opened and read aloud.

Bids are invited upon the several items and quantities of work as follows:

Item 1.

Item 2.

(List the quantity and brief description of each item of work to be included in this contract for which payments will be made).

Contract documents, including Drawings and Technical Specifications, are on file at the office of *(Local Public Agency) (Engineer) at (Address/Zip Code)*.

Copies of the Contract Documents may be obtained by depositing \$ _____ with the *(Local Public Agency)* for each set of documents so obtained. Each such deposit will be refunded if the Drawings and Contract Documents are returned in good condition within 10 days after the Bid Opening.

A certified check or bank draft, payable to the order of *(Local Public Agency)*, negotiable U.S. Government Bonds (at par value) or a satisfactory Bid Bond executed by the Bidder and an acceptable surety in an amount equal to five percent (5%) of the total Bid shall be submitted with each Bid.

Attention is called to the fact that not less than the federally determined prevailing wage rates as issued by the Tennessee Department of Economic and Community Development and as set forth in the Contract Documents must be paid on this project, and that the Contractor must ensure that employees/applicants for employment are not discriminated against because of race/color/sex/national origin.

The *(Local Public Agency)* reserves the right to reject any or all Bids or to waive any informalities in the bidding.

Bids may be held by *(Local Public Agency)* for a period not to exceed thirty (30) days from the date of the opening of the Bids for the purpose of reviewing the Bids and investigating the qualifications of the Bidders, prior to awarding the Contract.

Date: _____

BY: _____

Title: _____

LB-3

FEDERAL LABOR STANDARDS PROVISIONS

APPLICABILITY

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1 (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140).

(c) In the event the contractor, laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140).

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third persons, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB control number 1215-0140).

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of

failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make sure disbursements in the case of direct Davis-Bacon Act contract.

3. (i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any cost reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, D.C. 20402. The prime contractor is responsible for submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149).

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance" signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5(a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph A.3.(ii)(b) of this section.

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph A.3.(i) of this section available for inspection, copying or transcription by authorized representative of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall not be paid less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than

the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen's hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event of the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier

subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract Termination; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certifications of Eligibility. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person for firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, Title 18 U.S.C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part "Whoever, for the purpose of ... influencing in any way the action of such Administration ... makes, utters, or publishes any statement, knowing the same to be false ... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to the labor standards applicable under this contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times

the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontracts as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

form HUD-4010 (07/2003)
ref. Handbook 1344.1
Previous edition is obsolete

TEN DAY CALL CONFIRMATION

Contract Number: _____

This is confirmation that a ten-day call was received by this office on _____
for the above referenced contract. The prevailing wage for this contract is _____.

Bid Opening Date: _____

Verified by: _____
Labor Standards Officer

Date: _____

cc:

Send to THDA

NOTICE TO ALL EMPLOYEES



Working on Federal or Federally Financed Construction Projects

MINIMUM WAGES

You must be paid not less than the wage rate in the schedule posted with this Notice for the kind of work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 a week. There are some exceptions.

APPRENTICES

PROPER PAY

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

If you do not receive proper pay, contact the Contracting Officer listed below:



or you may contact the nearest office of the Wage and Hour Division, U.S. Department of Labor. The Wage and Hour Division has offices in several hundred communities throughout the country. They are listed in the U.S. Government section of most telephone directories under:

U.S. Department of Labor
Employment Standards Administration



PAYROLL
(For Contractor's Optional Use; See Instructions, Form WH-347 Inst.)
Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.



NAME OF CONTRACTOR <input type="checkbox"/> OR SUBCONTRACTOR <input type="checkbox"/>				ADDRESS				OMB No.: 1215-0149 Expires: 03/31/2006											
PAYROLL NO.		FOR WEEK ENDING		PROJECT AND LOCATION				PROJECT OR CONTRACT NO.											
(1) NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OF EMPLOYEE	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT OR ST	(4) DAY AND DATE							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS					(9) NET WAGES PAID FOR WEEK
														FICA	WITH- HOLDING TAX		OTHER	TOTAL DEDUCTIONS	
				HOURS WORKED EACH DAY															
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We estimate that it will take an average of 56 minutes to complete this collection of information, including time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, ESA, U. S. Department of Labor, Room S3502, 200 Constitution Avenue, N. W., Washington, D. C. 20210.

Date _____

I, _____, _____
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by _____ on the _____
(Contractor or Subcontractor)
_____ ; that during the payroll period commencing on the _____
(Building or Work)
_____ day of _____, _____, and ending the _____ day of _____, _____,
all persons employed on said project have been paid the full weekly wages earned, that no rebates have
been or will be made either directly or indirectly to or on behalf of said _____
_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly
from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part
3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948,
63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 276c), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are
correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the
applicable wage rates contained in any wage determination Incorporated into the contract; that the
classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide
apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of
Apprenticeship and Training, United States Department of Labor, of if no such recognized agency exists in a
State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- ☐ — in addition to the basic hourly wage rates paid to each laborer or mechanic listed in
the above referenced payroll, payments of fringe benefits as listed in the contract
have been or will be made to appropriate programs for the benefit of such
employees, except as noted in Section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- ☐ — Each laborer or mechanic listed in the above referenced payroll has been paid,
as indicated on the payroll, an amount not less than the sum of the applicable
basic hourly wage rate plus the amount of the required fringe benefits as listed
in the contract, except as noted in Section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR
SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE
31 OF THE UNITED STATES CODE.

Record of Employee Interview

U.S. Department of Housing and Urban Development Office of Labor Relations

OMB Approval No. 2501-0009
(exp. 04/30/2005)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The information is collected to ensure compliance with the Davis-Bacon Act by recording interviews with construction workers. The information collected will assist HUD in the conduct of labor standards investigations in case there were falsifying of payroll records in underpayment of wages. The information collection is voluntary.

Sensitive Information. The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained.

Project Number	Contractor or Subcontractor (Employer)
Project Name	

1. Name of Employee	2. Home Address and Zip Code
---------------------	------------------------------

3a. Last date you worked on project before today	3b. Number of hours worked on project on that date	4. Your hourly pay rate \$
--	--	-------------------------------

5. Your job classification(s) (list all) (continue any answers on a separate sheet if necessary)	Apprentice?	Yes	No

6. Your duties

7. Tools or equipment used

8. Paid at least time and one-half for all hours worked in excess of 40 in a week? (If overtime premium pay is not required, enter "inapplicable")	Yes	No
9. Ever threatened, intimidated, or coerced into giving up any part of pay?	Yes	No
10. Duties observed by Interviewer Conform to Classification?	Yes	No

11. Remarks (Continue on a separate sheet if needed)
--

12. Signature of Interviewer	Date of interview
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Payroll Examination

13. Remarks (Continue on a separate sheet if needed)
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14. Signature of Payroll Examiner	Date
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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Labor Relations
FEDERAL LABOR STANDARDS QUESTIONNAIRE

HUD FORM 4730

OMB Approval No. 2501-0018
(Exp. 06/30/2007)

We are conducting a review of federal labor standards compliance on the project named below. We are asking for certain information regarding your employment on this project. Sending this questionnaire to you does not imply that your employer has violated any law.

Please respond to all of the questions listed below. Your responses will be considered confidential and will not be released to anyone without your permission. Your answers should refer only to the time during which you worked on this project. Please return the completed form as soon as possible, using the envelope provided, which needs no postage.

If you have any questions, please call:

Employer		Project name, number and location	
1. Your Name		2. Your Job title	
3. When did you work on this project? From: _____ To: _____		4. Where did you work (job site, shop, etc)?	
5. What duties did you perform on this project?			
6. What tools did you use (if any) to perform your duties on the project?			
7. How were you paid? (hourly wage, salary, piece work, etc.)		8. If your wage was based on piece work, how was your pay determined (i.e., \$ per board, per unit, etc.)?	
9. What was your hourly wage on this project? \$	10a. Did you receive fringe benefits? Yes <input type="checkbox"/> No <input type="checkbox"/>	10b. If yes, which fringe benefits did you receive? Vacation <input type="checkbox"/> Medical <input type="checkbox"/> Pension <input type="checkbox"/> Other <input type="checkbox"/> Specify: _____	
11. On average, how many hours did you work each week?	12. Did you ever work over 40 hours in a single week? Yes <input type="checkbox"/> No <input type="checkbox"/>	13. If you worked over 40 hours per week, did you receive overtime pay (at least 1½ times your regular rate of pay)? Yes <input type="checkbox"/> No <input type="checkbox"/>	14. If you did <u>not</u> receive overtime pay for overtime hours worked, identify the number of weeks in which overtime was worked and/or total overtime hours
15. Attach copies of check stubs or a record of your hours and pay received <input type="checkbox"/> CHECK IF ATTACHED		16. Attach any other comments or statements on separate sheet <input type="checkbox"/> CHECK IF ATTACHED	

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Labor Relations
FEDERAL LABOR STANDARDS QUESTIONNAIRE

HUD FORM 4730

OMB Approval No. 2501-0018
(Exp. 06/30/2007)

17. Identify other employees (name, address, phone) who worked with you and who could confirm the type of work you performed

18. Identify employees (name, address, phone) you supervised

I affirm that the information provided herein is accurate to the best of my knowledge.

Employee Name (Please print clearly)	Home Phone Number (including area code)
Current address (Include apartment number, if any) (Street/City/State/Zip Code)	Alternate Phone Number(s) (including area code)
Permanent/Alternate Address (if current address is temporary)	Email address
Signature	Date

Disclosure Authorization

I authorize the HUD representative to disclose my name and the information I have submitted to the extent necessary to enforce my rights under the Acts administered by the U.S. Department of Housing and Urban Development.

Signature:	Date:
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Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. The information is considered sensitive and will not be released without your approval. Provision of this is voluntary. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

HUD and local agencies administering HUD-assisted programs must enforce Federal wage and reporting requirements on covered HUD-assisted construction and maintenance work. Enforcement activities include contacting laborers and mechanics and requesting information about their employment on covered projects.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Labor Relations
FEDERAL LABOR STANDARDS COMPLAINT INTAKE FORM

HUD FORM 4731

OMB Approval No. 2501-0018
(Exp. 6/30/2007)

Name of complainant

Social Security Number

Current address of complainant (Street/City/State/Zip Code)

Permanent address, if different from current address

Telephone (including area code) (Home/Cell/Other)

E-Mail address

Project name, location and contract/project number

Prime contractor company name

Employer (company) name

Employer: name of owner/responsible party

Employer address

Employer: contact information (Telephone/Cell/Other)

Check one:

☐ Current employee

☐ Former employee

☐ Other (specify)

Period employed on the project

From:

To:

Occupation/job title:

Duties performed (be specific)

Tools used and/or equipment operated

Wage Rate: \$ per ☐ Hour ☐ Day ☐ Week ☐ Piece ☐ Other (specify):

Hours usually worked on the project

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

Usual start and stop times

Start work time:

End work time:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Labor Relations
FEDERAL LABOR STANDARDS COMPLAINT INTAKE FORM

HUD FORM 4731

OMB Approval No. 2501-0018
(Exp. 6/30/2007)

Name of complainant	Social Security Number
---------------------	------------------------

	Yes	No		Yes	No
Were meal breaks taken?	<input type="checkbox"/>	<input type="checkbox"/>	Did the employer keep time records?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, how long were the breaks?					
Paid Overtime (time and ½) after 40 hours?	<input type="checkbox"/>	<input type="checkbox"/>	Did the complainant keep time records?	<input type="checkbox"/>	<input type="checkbox"/>
Paid for all hours worked?	<input type="checkbox"/>	<input type="checkbox"/>	Does complainant have other personal records (pay stubs, log books, etc.) he/she can provide?	<input type="checkbox"/>	<input type="checkbox"/>
Was/is the complainant an Apprentice?	<input type="checkbox"/>	<input type="checkbox"/>	Were fringe benefits paid?	<input type="checkbox"/>	<input type="checkbox"/>

If fringe benefits were paid, check all that apply:

- ☐ Cash in lieu of fringe benefits ☐ Life insurance ☐ Pension
☐ Health insurance ☐ Dental insurance ☐ Holiday/Sick/Vacation

Identify other fringe benefits paid

Names of others affected by the alleged violation(s)

Names of others who can verify/attest to the complainant's allegations

- ☐ Continuation sheets attached
☐ Complainant's personal interview attached

Complaint taken by:

Name (print clearly)	Phone number (including area code) and E-mail address
Title	Agency, office
Signature	Date

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. The information is considered sensitive and will not be released without your approval. Provision of this information is voluntary. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number. HUD and local agencies administering HUD-assisted programs must enforce Federal wage and reporting requirements on covered HUD-assisted construction and maintenance work. Enforcement activities include collecting information from laborers and mechanics and other interested parties regarding information about their employment on covered projects.

FINAL WAGE COMPLIANCE REPORT

Project: _____ Contract #: _____

Construction Completion Date: _____ Contract Amount: _____

Prime Contractor: _____

Subcontractor: _____

1. Were any workers paid less than the specified Davis-Bacon rates applied to this project?
YES () NO ()

2. If YES:

a. What was the total amount of restitution paid? \$ _____

b. What was the method of restitution?

_____ Paid by Contractor

_____ Paid by Locality with funds withheld from payment to the Contractor

FIRM	AFFECTED EMPLOYEES	AMOUNT OF RESTITUTION PAID	NATURAL VIOLATIONS

3. Were any workers not paid the correct overtime payments? YES ()
NO ()

If YES, liquidated damages at the rate of \$10 for each calendar day for each worker must be calculated and the contractor notified of liability.

4. If YES, provide the information concerning the nature of the overtime violations. This should include:
- a. Firm's Name, Address and Phone Number
 - b. Date Contractor was notified In writing of the amount liquidated damages which could be assessed.
 - c. Date the Contractor responded to the written notice. (Must be within 30 days of the receipt).
 - d. Did the Contractor seek a reduction or waiver of the liquidated damages?
YES () NO ()
 - e. If YES, was the request approved, and for what?
_____ Yes, Reduction
_____ Yes, Waiver
_____ No
 - f. On what grounds was HUD's or DOL's response based?
 - g. Total amount of liquidated damages paid:
\$_____.
 - h. What was the method of payment of the liquidated damages?
_____ Paid by Contractor
_____ Paid by locality with funds withheld from payment to the Contractor.
 - i. Did the Contractor appeal the final decision to assess liquidated damages to the U.S. Claims Court? YES () NO ()
 - j. Attach copies of all correspondence relative to any liquidated damages.
5. If appropriate, attach a recommendation of and justification for sanctions against the Contractor.

Submitted by:

Signature: _____

Name: _____

Title: _____

Date: _____

CHAPTER EIGHT

LEAD-BASED PAINT

1. OVERVIEW

- 1.1 In 1992, Congress enacted into law the Housing and Community Development Act of 1992. Title X of that Act, the Residential Lead-based Paint Hazard Reduction Act of 1992, is comprehensive lead-poisoning legislation. It switches the focus from the presence of lead-based paint to lead-based paint hazards. Title X defines lead-based paint hazards as “any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present on accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.” Title X established specific requirements for action in pre-1978 federally owned or associated housing. On September 15, 1999 HUD published final regulations to implement sections 1012 and 1013 of Title X, which set forth specific policies on lead-based paint hazard reduction in federally assisted and federally owned housing.
- 1.2 The following chapter provides you with guidance in order to comply with the new HUD regulations. The Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) regulate LBP activities performed on government owned or assisted properties. The lead-based paint regulations are divided into sections that are called subparts. Subparts “C” through “M” apply to specific programs, such as multi-family mortgage insurance, project-based rental assistance, housing rehabilitation, public housing, tenant-based rental assistance, or acquisition, leasing supportive services or operations. Although all of Title X is applicable to the HOME program, the most relevant parts of this legislation are Subparts J and K.
1. SUBPART J - The intent of Subpart J is to eliminate as far as practicable lead-based paint hazards in residential property that receives federal assistance for rehabilitation under a program administered by HUD.
 2. SUBPART K - The intent of Subpart K is to eliminate as far as practicable lead-based paint hazards in a residential property that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation.

2. DEFINITIONS

- 2.1 **ABATEMENT** - Any set of measures designed to permanently (at least twenty-years) eliminate lead-based paint or lead-based paint hazards.
- 2.2 **CLEARANCE EXAMINATION** - An activity conducted following lead-based paint hazard reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled dust-lead hazards exist in the dwelling unit or

worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples.

- 2.3 **INTERIM CONTROLS** - A set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paints hazards. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based maintenance activities, and the establishment and operation of management and resident education programs.
- 2.4 **LEAD-BASED PAINT HAZARDS** - Any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.
- 2.5 **LEAD-BASED PAINT INSPECTION** - A surface by surface testing of all painted, shellacked, or varnished surfaces to determine the presence or absence of lead.
- 2.6 **PAINT TESTING** - The process of determining, by a certified lead-based paint inspector or risk assessor, the presence or the absence of lead-based paint on deteriorated paint surfaces or painted surfaces to be disturbed or replaced.
- 2.7 **RISK ASSESSMENT** - An on-site investigation to determine the existence, nature, severity, and location of lead-based paint hazards; and the provision of a report by the individual or firm conducting the risk assessment explaining the results of the investigation and options for reducing lead-based paint hazards.
- 2.8 **SAFE WORK PRACTICES** - Hazard reduction using approved methods of paint stabilization, occupant protection, specialized cleaning.
- 2.9 **STANDARD TREATMENTS** - A series of hazard reduction measures designed to reduce all lead-based paint hazards in a dwelling unit without the benefit of a risk assessment or other evaluation.

3. REQUIREMENTS FOR REHABILITATION ASSISTANCE (SUBPART J)

- 3.1 Subpart J of Title X deals specifically with rehabilitation. The requirements in regards to lead-based paint are dependent on the cost of the rehabilitation. HUD designates three categories of rehabilitation: property receiving less than or equal to \$5,000; property receiving between \$5,000 and \$25,000; and property receiving more than \$25,000. Costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributed to lead-based paint hazard reduction are not to be included when determining cost of rehabilitation. *However, these costs, plus the cost of rehabilitation, must not exceed the HOME subsidy limits.* The following is a breakdown of what is required for each of these three categories in pre-1978 units:
- 3.2 **PROPERTIES RECEIVING LESS THAN OR EQUAL TO \$5,000 PER UNIT**
 - 1. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home* (LBP-1).

2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint.
3. Provide homeowner with a copy of the COMPLETE Risk Assessment or Presumption of Lead (LBP-3) within 15 days of completion of the report or receipt by the administrator. (Documentation that the homeowner has received the Risk Assessment or Presumption of Lead-Based Paint must be maintained in the project record.)
4. Implement safe work practices during rehabilitation and repair any disturbed paint. If testing shows the absence of lead-based paint, safe work practices are not required.
5. After completion of rehabilitation, conduct clearance testing of the entire unit and common area. Clearance is not required if testing shows the absence of lead-based paint or if rehabilitation did not disturb painted surfaces greater than the de minimis levels set forth by HUD.
 - a. De minimis levels:
 - i. 20 square feet on exterior surfaces
 - ii. 2 square feet in any one interior room or space
 - iii. 10% of the total surface area on an interior or exterior type of component with a small surface area, window sills, baseboards, and trim.
6. Provide the household with a copy of the COMPLETE Clearance Report within 15 days of completion of the hazard reduction activity or receipt by the administrator of the clearance report. (Documentation that the homeowner has received the complete Clearance Report must be maintained in the project record.)

3.3 PROPERTIES RECEIVING BETWEEN \$5,001 AND \$25,000 PER UNIT

1. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home* (LBP-1).
2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint.
3. Perform a risk assessment in the dwelling unit receiving federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins. A visual assessment may be made if presuming the presence of lead-based paint.
 - a. Where a risk assessment is required, a *Lead Hazard Screen* may be conducted first to determine whether a full risk assessment is required.

- b. The Lead Hazard Screen is a limited risk assessment activity that involves dust and soil sampling and may include paint testing on deteriorated paint surfaces or surfaces to be disturbed during rehabilitation.
 - c. A full risk assessment must be performed if any part of the Lead Hazard Screen fails.
- 4. Provide homeowner with a copy of the COMPLETE Risk Assessment, Lead Hazard Screen or Presumption of Lead (LBP-3) within 15 days of completion of the report or receipt by the administrator. (Documentation that the homeowner has received the Risk Assessment, Lead Hazard Screen or Presumption of Lead-Based Paint must be maintained in the project record.)
- 5. Perform interim controls of all lead-based paint hazards identified by the paint testing and risk assessment, as well as lead-based paint hazards created as a result of the rehabilitation work, or use Standard treatments.

If making the presumption that all painted surfaces contain lead, perform Standard Treatments. Care must be taken not to accidentally trigger abatement by the unintentional use of abatement procedures. All abatement work must be performed by certified abatement contractors.
- 6. After completion of rehabilitation, conduct clearance testing of the entire unit and common areas.
- 7. Provide the household with a copy of the COMPLETE Clearance Report within 15 days of completion of the hazard reduction activity or receipt by the administrator of the clearance report. (Documentation that the homeowner has received the complete Clearance Report must be maintained in the project record.)
- 8. On-going lead-based paint maintenance is required if rehabilitation included HOME or CILP.

3.4 PROPERTIES RECEIVING MORE THAN \$25,000 PER UNIT

The 2006 HOME program will allow rehabilitation in excess of \$25,000 under pre-approved circumstances. Written permission to exceed the \$25,000 cap must be received from THDA before proceeding with the rehabilitation regardless of whether or not lead is present.

Requests for abatement will only be considered on a case by case basis.

- 1. Provide the household with a copy of the pamphlet *Protect Your Family From Lead in Your Home* (LBP-1).
- 2. Conduct paint testing of surfaces to be disturbed or presume the presence of lead-based paint.
- 3. Perform a risk assessment in the dwelling unit receiving federal assistance and in associated common areas and exterior painted surfaces before rehabilitation begins.

- a. If making the presumption that lead-based paint or lead-based paint hazards or both are present throughout the property, the evaluation may be omitted and abatement must be performed on all painted surfaces.
 - b. When a risk assessment is required, a Lead Hazard Screen may be conducted first to determine whether a full risk assessment is required.
 - i. The Lead Hazard Screen is a limited risk assessment activity that involves dust and soil sampling and may include paint testing on deteriorated paint surfaces or surfaces to be disturbed during rehabilitation.
 - ii. A full risk assessment must be performed if any part of the Lead Hazard Screen fails.
4. Provide homeowner with a copy of the COMPLETE Risk Assessment, Lead Hazard Screen or Presumption of Lead (LBP-3) within 15 days of completion of the report or receipt by the administrator. (Documentation that the homeowner has received the Risk Assessment, Lead Hazard Screen or Presumption of Lead-Based Paint must be maintained in the project record.)
5. Abate all lead-based paint hazards identified by the paint testing and risk assessment, as well as lead-based paint hazards created as a result of the rehabilitation work.
- If making the presumption of lead, perform abatement on all painted surfaces.
All abatement work must be performed by a certified abatement contractor.
7. After completion of rehabilitation, conduct clearance testing of the entire unit and common areas.
8. Provide the household with a copy of the COMPLETE Clearance Report within 15 days of completion of the hazard reduction activity or receipt by the administrator of the clearance report. (Documentation that the homeowner has received the complete Clearance Report must be maintained in the project record.)
9. On-going lead-based paint maintenance is required if rehabilitation included HOME or CILP.
- 3.5 Documentation must be maintained in the HOME program files that all reports have been received by the homeowner, tenant and/or contractor.

4. STEPS TO INCORPORATE LEAD-BASED PAINT PROCEDURES IN HOUSING REHABILITATION

- 4.1 Complete the initial walk through and work-write-up. By doing the initial walk-through and work write-up, it is sometimes possible to determine that a unit needs to be reconstructed prior to expending the funds for a paint inspection/risk assessment that is not needed. Other times it may be necessary to have the paint inspection/risk assessment completed in order to make the determination that reconstruction is the best use of funds.
- 4.2 Determine the estimated cost of repairs and the category into which the project falls. (See Attachment V: Quick Reference Guide)
- 4.3 Provide risk assessor with a copy of the initial work write-up showing which areas are to be disturbed by the rehabilitation. Proceed with appropriate paint testing/risk assessment, or presume the presence of lead-based paint. The paint inspection/risk assessment should address not only the areas to be disturbed, but any lead-based paint hazards and potential hazards that are discovered as part of the paint inspection/risk assessment.
- 4.4 Provide homeowner with a copy of the COMPLETE Risk Assessment, Lead Hazard Screen or Presumption of Lead (LBP-3) within 15 days of completion of the report or receipt by the administrator. (Documentation that the homeowner has received the Risk Assessment, Lead Hazard Screen or Presumption of Lead-Based Paint must be maintained the in the project record.)
- 4.5 Incorporate measures recommended by the risk assessor into the work write-up. The work write-up should be broken out with separate line item costs for both the rehabilitation work and the lead hazard reduction work. In most cases, the cost of lead work hazard reduction will be associated with a particular line item of rehabilitation work. In certain situations placing the cost of interim controls under lead hazard reduction may be the best choice, and the rationale for that decision must be well documented. It is important to remember that only the interim controls recommended in the risk assessment may be used for the rehabilitation.
- 4.6 Determine if relocation is necessary.
- 4.7 Put the project out to bid. The bid sheet must differentiate between rehabilitation work and lead work. The costs of site preparation, occupant protection, relocation, interim controls, abatement, clearance and waste handling attributable to lead-based paint hazard reduction are not to be included in the hard costs of rehabilitation. The two totals will then be added together to arrive at a total bid amount.
- 4.8 Relocation of homeowner and furnishings, if applicable.
- 4.9 If interim controls or standard treatments are necessary they must be performed by a person trained in accordance with CFR 1926.59 (Hazard Communication) and either be supervised by an individual certified as a lead-based paint abatement supervisor or have successfully completed one of the following courses: a lead-based paint abatement

supervisor or worker course accredited in accordance with 40 CFR 745.225; The Lead-Based Paint Maintenance Program; or The Remodeler's and Renovator's Lead-Based Paint Training Program.

- 4.10 After completing work, clearance must be achieved. Provide the household with a copy of the COMPLETE Clearance Report within 15 days of completion of the hazard reduction activity or receipt by the administrator of the clearance report. (Documentation that the homeowner has received the complete Clearance Report must be maintained in the project record.)
- 4.11 Move homeowner and belongings back into home, if applicable.

5. SAFE WORK PRACTICES

- 5.1 Homeowner/occupant and their belongings shall be protected and the worksite prepared in accordance with 24 CFR Part 35.1345 and prohibited methods of paint removal shall not be used.
- 5.2 The worksite shall be prepared to prevent the release of leaded dust and contain lead-based paint chips and other debris from hazard reduction activities within the worksite until they can be safely removed. Practices that minimize the spread of leaded dust, paint chips, soil and debris shall be used during worksite preparation.
- 5.3 A warning sign shall be posted at each entry to a room where hazard reduction activities are conducted when occupants are present; or at each main and secondary entryway to a building from which occupants have been relocated; or for an exterior hazard reduction activity, where it is easily read from a distance of 20 feet from the edge of the hazard reduction worksite. Each warning sign shall meet the requirements as described in 29 CFR 1926.52(m).
- 5.4 After hazard reduction activities have been completed, the worksite shall be cleaned using cleaning methods, products and devices that are successful in cleaning up dust-lead hazards, such as a HEPA vacuum, or other method of equivalent efficacy, and lead-specific detergent or equivalent.

6. INTERIM CONTROLS

- 6.1 Even though Interim controls are a temporary solution to lead-based paint hazards, they significantly reduce the risk of lead poisoning among the housing residents. Interim control methods include:
1. Paint stabilization – Deteriorated paint can be controlled through repairs, safe paint removal, repainting the surface and/or repairing loose and deteriorated substrate materials.
 2. Friction and impact surface treatments – Friction and impact surfaces that create lead dust, such as windows, doors, stair treads and floors, can be treated by re-

hanging doors and placing rubber stoppers along impact surfaces, and cushioning window tracks with plastic liners to reduce friction.

3. Treatment for chewable surfaces – If a child under six has chewed surfaces known to contain lead, or if these surfaces are presumed to contain lead, these surfaces must be enclosed or coated so that they are impenetrable.
 4. Dust control – All horizontal surfaces that are rough, pitted, or porous such as bare floors, stairs, window sills, and window troughs must be covered with a smooth cleanable covering or coating such as metal coil stock, plastic, polyurethane, or linoleum. Lead-contaminated dust can be controlled by cleaning surfaces that reduce leaded dust. Carpeting must be vacuumed and rugs must be removed and vacuumed on both sides. Vacuuming must be done using HEPA vacuums.
 5. Soil treatments – Control lead-contaminated soil by limiting access to it. There are two methods: covering contaminated surfaces with sod, grass, mulch, gravel or other appropriate material; and land use controls such as fences or signs.
- 6.2. All interim control strategies require worksite preparation, cleanup, waste disposal, clearance testing, recordkeeping and monitoring.

7. ABATEMENT STRATEGIES

- 7.1 Abatement strategies include the removal of lead-based paint. There are five basic methods of abatement for components that contain lead-based paint:
1. **Component replacement** – The removal of building components that contain lead-based paint.
 2. **Paint removal** – The separation of paint from the substrate using safe heat, chemical, or abrasive methods. It is the least preferred method and requires the greatest care and most careful clean-up. It is most appropriate for small surfaces.
 3. **Enclosure** – The installation of a barrier (such as paneling) that is mechanically attached to the building component, with all edges and seams sealed to prevent the escape of lead-based dust. It is appropriate for large surfaces such as walls, ceilings, floors and exteriors.
 4. **Encapsulation** – Involves a liquid or adhesive material that covers the component and forms a barrier that makes the lead-based paint surface inaccessible by relying upon adhesion. It is most appropriate for most kinds of smooth surfaces but cannot be used effectively on friction surfaces, surfaces in poor condition, or surfaces that may become wet. It must also be compatible with the existing paint.
 5. **Soil Abatement** – Includes removal of at least the top six inches of soil but may go to two feet in areas with heavy contamination; and paving the contaminated soil with high quality concrete or asphalt.

- 7.2 All abatement strategies require worksite preparation, cleanup, waste disposal, clearance testing, recordkeeping and monitoring.

8. STANDARD TREATMENTS

- 8.1 There is an alternative to a risk assessment and interim controls when a project falls between \$5,000 and \$25,000. The presence of lead-based paint can be presumed, followed by the implementation of standard treatments. Standard treatments include:
1. **Paint stabilization.** - All deteriorated paint on exterior and interior surfaces located on the residential property shall be stabilized or abated.
 2. **Smooth and cleanable horizontal surfaces.** All horizontal surfaces, such as *uncarpeted floors, stairs, window sills and window troughs, that are rough, pitted, or porous*, shall be covered with a smooth, cleanable covering or coating, such as metal coil stock, plastic, polyurethane, or linoleum.
 3. **Correction of dust-generating conditions.** Conditions causing friction or impact of painted surfaces shall be corrected. By correcting conditions that cause rubbing, binding, or other damage to painted surfaces, the integrity of the paint is protected and the generation of lead dust is reduced.
 4. **Bare residential soil.** Bare soil shall be treated, unless it is found not to be a soil-lead hazard.
 5. **Safe work practices.** All standard treatments shall incorporate the use of safe work practices.
 6. **Clearance.** A clearance examination shall be performed at the conclusion of any lead hazard reduction activity.
 7. **Qualifications.** An individual performing standard treatments must meet the training and/or supervision requirements of 35.1330(a) (4), trained workers or workers supervised by certified Lead-based paint Abatement Supervisor.

9. HUD STANDARDS FOR SAFE METHODS AND PROHIBITED METHODS FOR TREATING LEAD-BASED PAINT

- 9.1 Examples of safe treatment methods:
1. Wet scraping;
 2. Wet sanding;
 3. Chemical stripping off site;
 4. Replacing painted components;
 5. Scraping with an infrared or coil-type heat gun with temperatures below 1,100°F;

6. HEPA vacuum sanding;
7. HEPA vacuum needle gun;
8. Abrasive sanding with a HEPA vacuum; and
9. Covering a defective surface with durable materials such as wallboard or vinyl siding, with the joints sealed and caulked.

9.2 Examples of prohibited treatment methods:

1. Open flame burning or torching;
2. Machine sanding or grinding without a HEPA local exhaust;
3. Heat guns operating above 1,100°F or charring;
4. Dry scraping or dry sanding except in conjunction with heat guns or within one foot of outlets; and
5. Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous substance.

10. OCCUPANT PROTECTION

10.1 This section establishes procedures for protecting dwelling unit occupants and the environment from contamination from lead-contaminated or lead-containing materials during hazard reduction activities.

1. Occupants shall not be permitted to enter the worksite during hazard reduction activities, until after hazard reduction work has been completed and clearance, if required, has been achieved.
2. Occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe, and similarly accessible dwelling unit that does not have lead-based paint hazards, except if:
 - a. Treatment will not disturb lead-based paint, dust-lead hazards or soil-lead hazards;
 - b. Only the exterior of the dwelling unit is treated, and windows, doors, ventilation intakes and other openings in or near the worksite are sealed during hazard control work and cleaned afterward, and entry free of dust-lead hazards, soil-lead hazards, and debris is provided;
 - c. Treatment of the interior will be completed within one period of 8-daytime hours, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards; or
 - d. Treatment of the interior will be completed within 5 calendar days, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards; and the worksite and the area within at

least 10 feet of the containment area is cleaned to remove any visible dust or debris, and occupants have safe access to sleeping areas, and bathroom and kitchen facilities.

- e. All occupants are over the age of 65 (elderly) and are made aware of the hazards involved with remaining in the home during rehabilitation. The residents must sign a waiver (LBP-7) acknowledging that they have received information on the hazards and have chosen to remain in their home.
3. The dwelling unit and the worksite shall be secured against unauthorized entry, and occupants' belongings protected from contamination by dust-lead hazards and debris during hazard reduction activities. Occupants' belongings in the containment area shall be relocated to a safe and secure area outside the containment area, or covered with all seams and edges taped or otherwise sealed.

11. THE IMPORTANCE OF BREAKING OUT LEAD COST FROM NON-LEAD COSTS IN A WORK WRITE-UP

- 11.1 It is very important to understand that work write-ups need to clearly delineate lead and non-lead costs and they need to do so on a line item basis. It is very easy to accidentally trigger abatement by using abatement methods as interim controls or by putting rehabilitation costs under lead hazard reduction costs in order to stay under the \$25,000 cap.
- 11.2 In order to generate a work write-up for rehabilitation with lead that does not trigger abatement, it is very important to realize that the work write-up and risk assessment go hand in hand. It is easy to trigger abatement by calling for an abatement method in the work write-up, such as paint removal, component replacement, encapsulation or enclosure, to correct a lead hazard and then allocating the cost of that method to lead hazard reduction and not to rehabilitation hard costs. (Attachment VIII: Applying the Policy in the HUD/EPA Abatement Letter - Scenario 2.) It is also important to remember that *only the interim controls called for in the risk assessment* can be used during rehabilitation.
- 11.3 The following costs and activities are the types of lead costs that can be excluded from the hard cost of rehabilitation:
 1. Cost of site preparation;
 2. Occupant protection;
 3. Relocation;
 4. Interim controls;
 5. Abatement;
 6. Clearance; and
 7. Waste handling attributable to lead-based paint hazard reduction.

- 11.4 It should be noted that 'interim controls' is a very gray area and one area that seems to be very troublesome. *Just because a rehabilitation activity uses an interim control or has lead that requires the use of safe work practices, does not mean that the full cost of that activity can be deducted from the hard cost of rehabilitation.* Sometimes the 'interim control' may simply be needed to correct a lead hazard before a particular rehabilitation activity can be done. This type of interim control can be deducted from the rehabilitation hard cost, but not the full cost of the activity. Good documentation is necessary and this is where both intent and the risk assessment play a major role in determining if abatement has been triggered.
- 11.5 In order to prevent the accidental triggering of abatement, one methodology would be to always have a rehabilitation hard cost for each line item in the work write-up that has lead. The cost of the activity if no lead was involved would be the rehabilitation hard cost. The additional cost of the activity, because it does have lead, is the lead reduction cost. (Cost of activity with lead – Cost of activity without lead = Lead hazard reduction cost)
- 11.6 There are two approaches to generating a work write-up and risk assessment for a unit with lead depending on who is doing the inspection and the risk assessment.
1. If the housing inspector and the risk assessor are the not the same:
 - a. The housing inspector needs to do the initial codes inspection and identify the rehabilitation work to be done on the house.
 - b. This write-up is given to the risk assessor who does the lead-based paint inspection taking into account those areas that are to be disturbed during the rehabilitation. His report is returned to the original inspector. The risk assessor may identify additional lead-based paint hazards that were not included in the initial work write-up.
 - c. The housing inspector then modifies the work write-up so that it clearly breaks out rehabilitation work and required lead work separately by:
 - i. Identifying the housing components that have lead and require safe work practices.
 - ii. Incorporating in the work write-up any interim controls that are required to correct lead based paint hazards that were identified in the risk assessment but may or may not have been addressed as part of the original write-up.
 - iii. Ensuring that where applicable, line items with lead have both a rehabilitation cost and a lead cost.
 2. If the housing inspector and the lead inspector are the same person, the inspector can conduct both the codes inspection and the risk assessment at the same time and generate the work write-up so that it clearly breaks out rehabilitation work and required lead work separately as in 11.6(1)(c) i-iii above.
- 11.7 The risk assessment and the work write-up that clearly breaks out the lead costs and non-lead costs on a line item basis will need to be submitted along with the contract

when the set-up information is sent to THDA. The work write-ups will need to identify all line items that have lead and require the use of safe work practices. When interim controls are used, the methods to be used need to be clearly spelled out and the cost properly allocated.

12. GUIDANCE ON RELOCATION

- 12.1 The Lead Safe Housing Rule includes requirements for occupant protection during lead hazard reduction activities. These occupant protection measures often require that a resident leave the unit while work is being performed. Relocation to a temporary unit may be required.
- 12.2 When is relocation required? - Residents must be kept out of the work area during lead hazard reduction work and cannot return to the work area until it has passed clearance. If the residents cannot enter important parts of their home (e.g. bathrooms, kitchens) for more than a day, they need to be relocated temporarily.
- 12.3 When is relocation not required? - The lead safe housing rule lists several situations that do not require relocation. These include:
1. The work will not disturb lead-based paint, dust lead hazards, or soil lead hazards.
 2. Work on the interior of the unit will be completed within one period in eight daytime hours, the site will be contained, and the work will not create other safety, health, or environmental hazards.
 3. Only the building's exterior is treated; the windows, doors, ventilation intakes, and other openings near the worksite are sealed during hazard reduction activities and cleaned afterward; and a lead-free entry is provided.
 4. Treatment will be completed within five calendar days; the work area is sealed; at the end of each day, the area within 10 feet of the containment area is cleared of debris and cleaned; at the end of each day, occupants have safe access to sleeping areas, bathroom, and kitchen facilities; and treatment does not create other safety, health, or environmental hazards.
 5. HUD has advised that the relocation of elderly occupants is not typically required, so long as complete disclosure of the nature of the work is provided and informed consent of the elderly occupant(s) is obtained before commencement of the work. (See LBP-13)
- 12.4 What constitutes an appropriate relocation unit? - The Lead Safe Housing Rule requires that the relocation unit be lead-safe. The Interpretive Guidance provides two ways to demonstrate the lead-safety of a unit:
1. Use post-1978 units
 2. Perform a clearance examination in the unit to ensure that there is no deteriorated paint or dust hazards

- 12.5 Does relocation for lead hazard reduction trigger the Uniform Relocation Act (URA)? - The URA is triggered if tenants are not treated reasonably during temporary relocation.
1. For tenants, this means that the agency must pay the out-of-pocket costs incurred by tenants during temporary relocation, such as the rent charged for the temporary unit above their costs for their existing unit, costs to move back and forth from the temporary unit, storage costs for personal belongings, and utility hookups at the temporary unit. In addition reasonable advance notice must be provided to the tenant before the tenant is required to move into or out of the temporary unit. Further, the unit they move into must be suitable for their needs. (For more information on URA, consult HUD Handbook 1378.)
 2. Work in owner-occupied housing does not trigger the URA. However, agencies may choose to define hardship situations for homeowners and adopt temporary relocation as part of their written policies and procedures to pay certain costs, such as a per-day maximum for costs actually incurred for housing and meals. Any such policy must be written and must be applied consistently.
- 12.6 What should a relocation policy cover? – Relocation policies serve as a useful guide to staff and program participants and help ensure that all program participants are treated consistently. The policy should cover:
1. When relocation is required under the program and how long temporary relocation will typically last
 2. How much notice will be provided to move and return
 3. What constitutes an appropriate relocation unit
 4. Whose responsibility it is to identify a temporary unit
 5. How much, if any, will be allowed for a meal allowance per person if the temporary unit has no cooking facilities.
 6. How payment will be disbursed
 7. What relocation benefits are available to the resident during the relocation period
- 12.7 How can relocation costs be minimized? - Minimize the relocation time. Stage work to minimize the time the residents need to be out of the unit. The worksite must be properly contained and the resident may not enter that area ever during the course of the work. Work areas must pass interim clearance before a resident can reoccupy them. A final clearance is still required at the end of the job, even after interim clearances have been done.
- Minimize associated costs. Negotiate favorable rates with motel or apartment owners for temporary relocation units. Obtain competitive bids from moving or storage companies, and identify a mover and storage company that will provide services at the most favorable rate. However, costs should be based on actual expenses, not a per unit rate.

13. ACQUISITION, LEASING, SUPPORT SERVICES, OR OPERATION (SUBPART K)

- 13.1 The purpose of this subpart K is to establish procedures to eliminate as far as practicable lead-based paint hazards in a pre-1978 residential property that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation. Acquisition, leasing, support services, and operation do not include mortgage insurance, sale of federally owned housing, project-based or tenant-based rental assistance, or assistance to public housing.
- 13.2 Notices and Pamphlets - In cases where evaluation or hazard reduction, including paint stabilization, is undertaken, each grantee shall provide a notice to residents in accordance with 24 CFR Part 35.125. A visual assessment is not considered an evaluation for purposes of this part. The grantee shall provide the lead hazard information pamphlet.
- 13.3 If a dwelling unit receives federal assistance under a program covered by this Subpart, each grantee shall conduct the following activities for the dwelling unit and all common areas servicing the dwelling unit and the exterior surfaces of the building in which the dwelling unit is located:
1. A visual assessment of all painted surfaces in order to identify deteriorated paint;
 2. Paint stabilization of each deteriorated paint surface, before occupancy of a vacant dwelling unit or where a unit is occupied, immediately after the receipt of federal assistance; and
 3. The grantee shall incorporate ongoing lead-based paint maintenance activities into regular building operations.
 4. The grantee shall provide a notice to occupants describing the results of the clearance examination in accordance with 24 CFR Part 35.125.

14. HOMEOWNERSHIP

- 14.1 Homeownership activities fall into two categories in THDA's HOME program. There is one category for acquisition, rehabilitation and sale to a qualified homebuyer (Subpart J), and another category for downpayment assistance programs (Subpart K).
- 14.2 In HOME projects structured as an acquisition, rehabilitation and sale to a qualified buyer, Subpart J of the regulation may apply in addition to the requirements of Subpart K. If the Grantee does the rehabilitation prior to selling the unit to the prospective homebuyer, the Grantee must follow the guidelines for rehabilitation as well the guidelines for homeownership. Reminder: Only CHDOs are eligible to conduct this type of homeownership program.

- 14.3 In HOME projects structured as downpayment assistance in the form of a soft second mortgage, only Subpart K of the regulation applies. The approach under this subpart is to identify and stabilize deteriorated paint.
1. The required lead hazard evaluation is a visual assessment.
 2. Any deteriorated paint that is found must be stabilized.
 3. If the deteriorated paint area is greater than the de minimis levels:
 - a. the work must be performed by an approved worker using safe work practices; and
 - b. Clearance is required after paint stabilization is completed.
- 14.4 The following is a more detailed overview of the requirements that need to be met in a homebuyer program and it applies to all pre-1978 units:
1. The current homeowner must provide a disclosure form to the prospective buyer noting any known presence of Lead-based paint. (LBP-12)
 2. Prospective homebuyers must receive the lead hazard information pamphlet *Protect Your Family From Lead in Your Home*. (LBP-1)
 3. A visual assessment of the unit is conducted by a qualified inspector.
 4. Lead hazard reduction requires the following activities:
 - a. Paint stabilization to include: repair of deteriorated surfaces; removal of loose paint; and application of new paint.
 - b. The use of safe work practices by a qualified worker.
 - c. Clearance of the unit after completion of the work.
 5. A Summary Notice of the Lead Hazard Reduction Activity must be provided to the prospective homebuyer within 15 days of completion of the reduction activities, along with a copy of the clearance report. (LBP-6)
 6. One option to performing the lead hazard reduction activities is to have the deteriorated paint tested for lead. If no lead is present in the paint, paint stabilization and clearance are not required.

15. COST

- 15.1 Costs for paint testing, risk assessments, and clearance testing will be paid as soft costs. There is an acceptable range for costs involving these activities, and the range has increased due to recent increases in transportation costs. Please contact your specialist for cost approval prior to contracting for these services

- 15.2 Expenses incurred conducting lead activities such as costs of site preparation, occupant protection, relocation, interim controls, clearance, waste handling attributed to lead-based paint hazard reduction, standard treatments, and abatement will not count towards the \$25,000 cap on rehabilitation costs. These costs *will* count towards the subsidy limit.

16. CERTIFICATION

- 16.1 Lead-based paint Inspectors, Lead-based paint Risk Assessors, Lead-based paint Abatement Workers, and Lead-based paint Abatement Supervisors must be certified by the Tennessee Department of Environment and Conservation (TDEC).
- 16.2 A listing of these certified Lead professionals is available from the TDEC office:
- DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Solid Waste Management
Fifth Floor, L & C Tower
401 Church Street
Nashville, Tennessee 37243-1535
1-888-891-8332
- 16.3 Attachment VII clarifies that HUD and EPA lead-based paint regulations are complementary.
- 16.4 Websites for additional information and documentation:
- www.hud.gov/cpd
- www.hud.gov/offices/lead
- www.hud.gov/offices/cpd/affordablehousing/training/leadsafe
- www.hud.gov/offices/cpd/affordablehousing/training/leadsafe/usefulforms/
- www.huduser.org

HUDUSER offers a publication on a cd-rom called "Residential Lead Desktop Reference". It can be obtained at the above website or by calling 1-800-245-2691 and the publication # is: HUD-2033-OLITC

CHART 1: REHABILITATION PROCESS

Application to Assistance Threshold

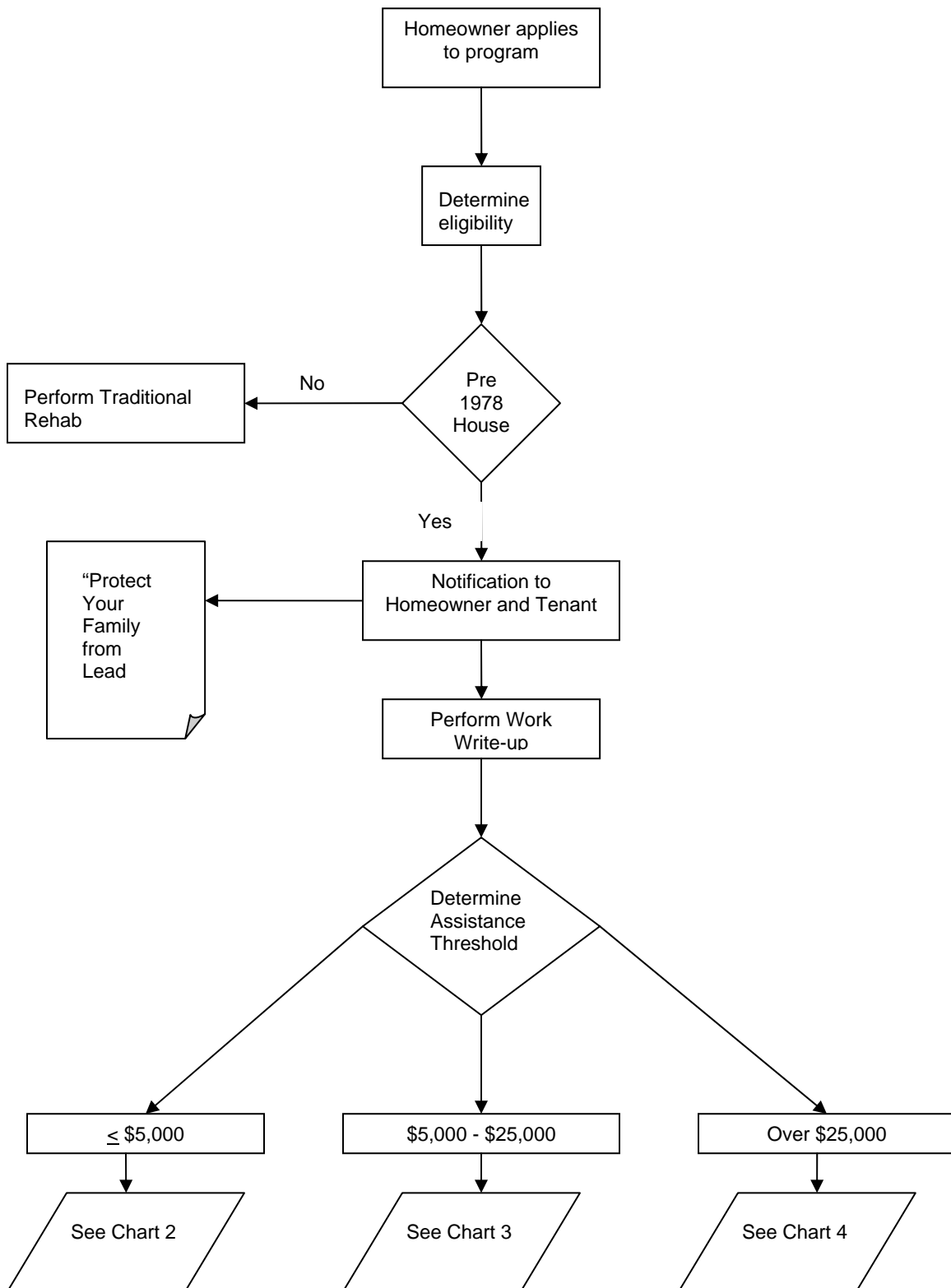


CHART 2: REHABILITATION

Assistance Under \$5,000

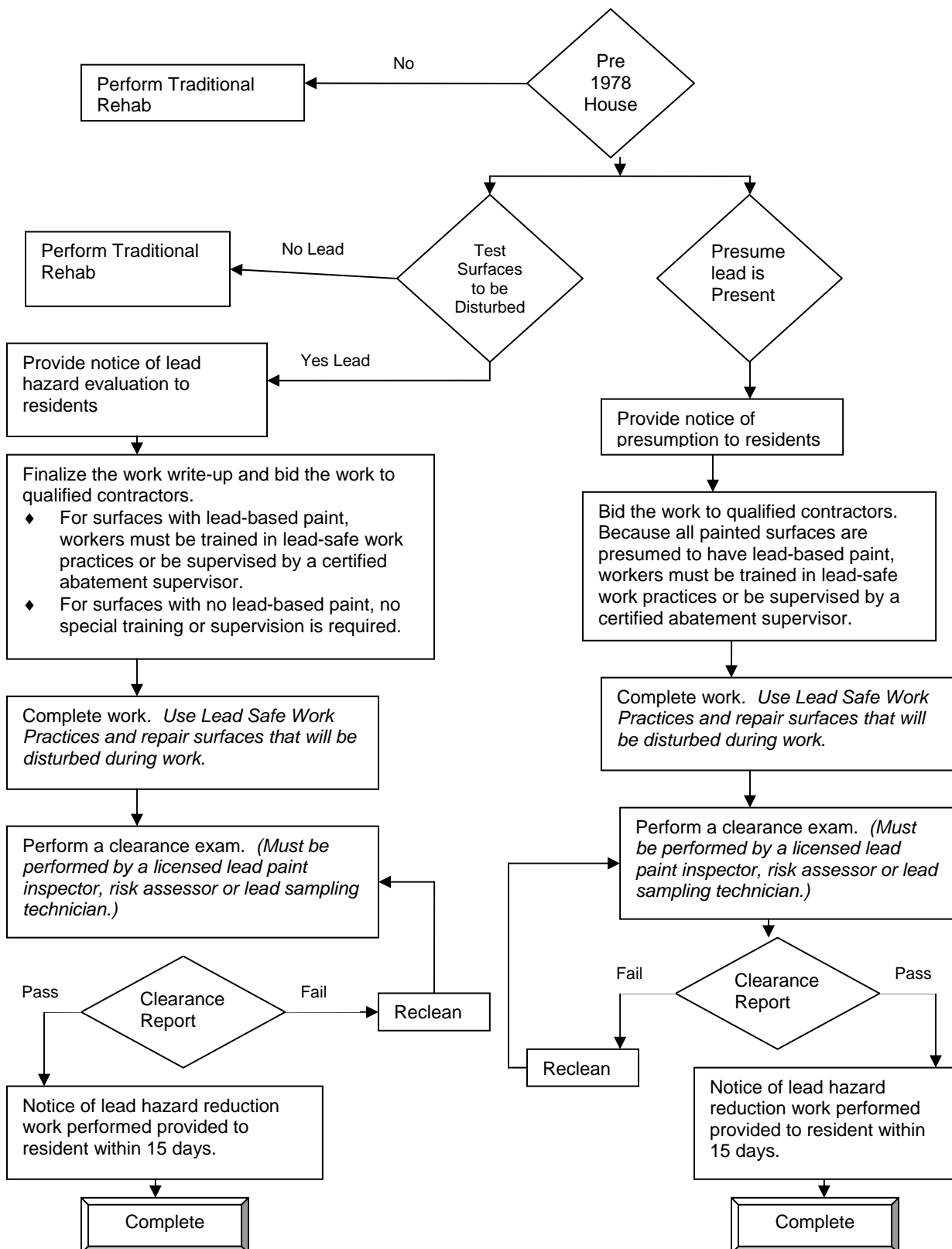


CHART 3: REHABILITATION

Assistance \$5,000 - \$25,000

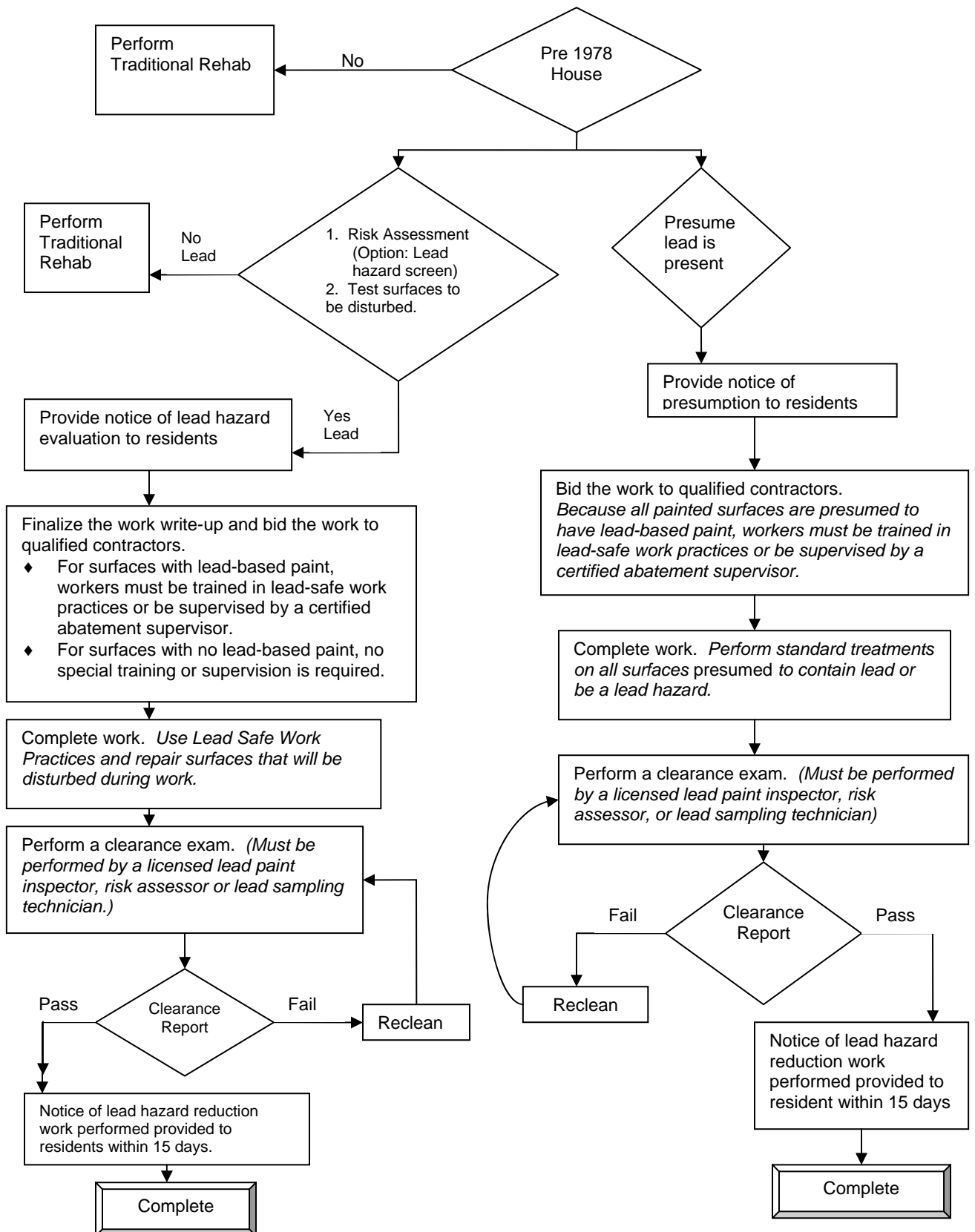
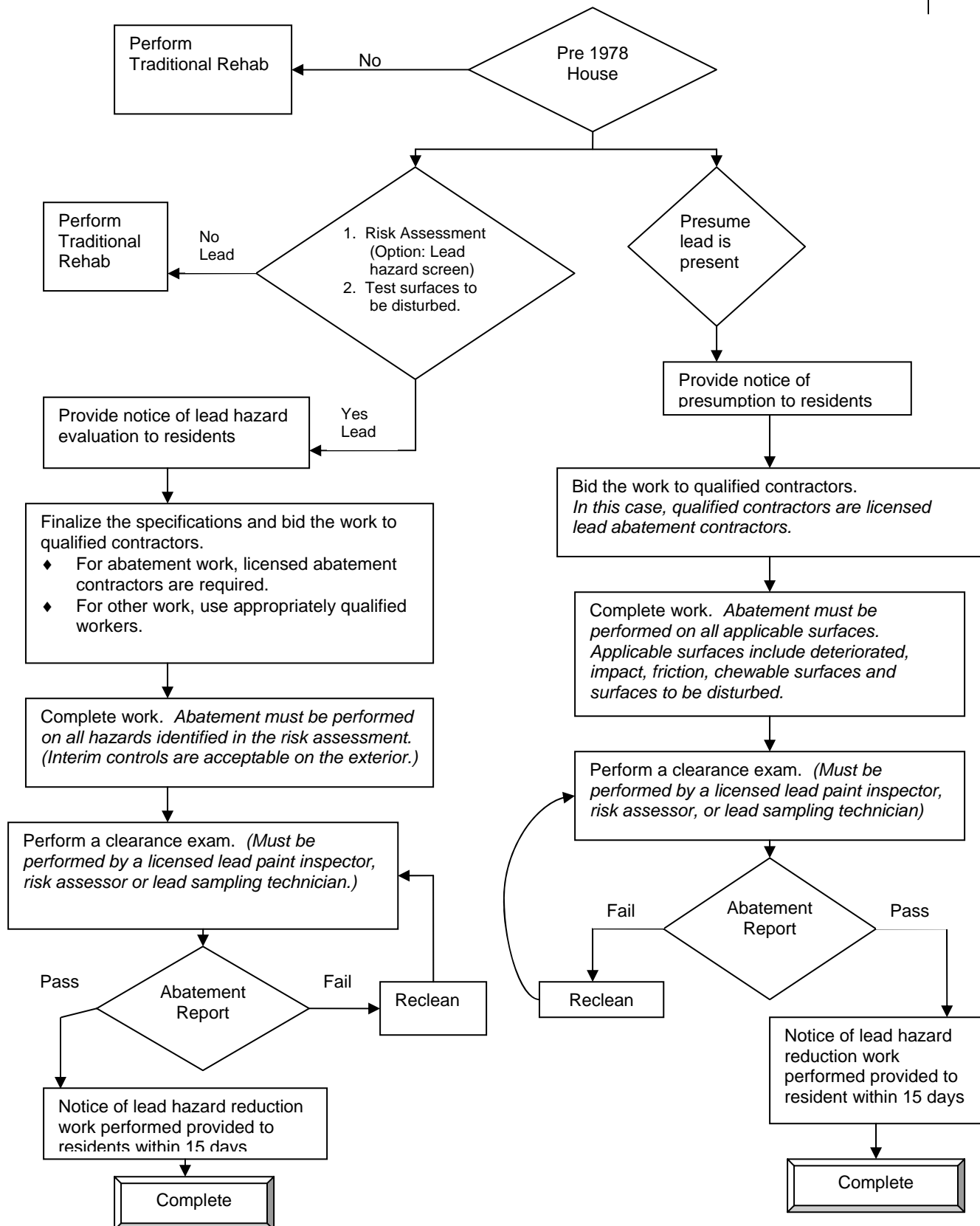


CHART 4: REHABILITATION

Assistance over \$25,000



ATTACHMENT V: QUICK REFERENCE GUIDE

<p>1. Property receiving less than or equal to \$5,000 per unit</p>	<ul style="list-style-type: none"> • Provision of pamphlet. • Paint testing of surfaces to be disturbed, or presume LBP • Safe work practices in rehab • Repair disturbed paint • Notice to occupants • Clearance testing of worksite
<p>2. Property receiving more than \$5,000 and up to \$25,000 per unit</p>	<ul style="list-style-type: none"> • Provision of pamphlet • Paint testing of surfaces to be disturbed, or presume LBP • Risk Assessment • Interim controls/ Standard treatments • Notice to occupants • Ongoing LBP maintenance if HOME or CILP • Clearance testing of entire unit and common areas
<p>3. Property receiving more than \$25,000 per unit</p>	<ul style="list-style-type: none"> • Allowable on a case by case basis for the 2005 THDA HOME program • Provision of pamphlet • Paint testing of surfaces to be disturbed, or presume LBP • Risk assessment • Abatement of LBP hazards • Notice to occupants • Ongoing LBP maintenance • Clearance testing of entire unit and common areas

ATTACHMENT VI: HAZARD EVALUATION TOOLS AND METHODS

EVALUATION	DESCRIPTION	PERFORMED BY	RESULTS
Visual Assessment	A visual assessment of interior and exterior painted surfaces to identify specific conditions that contributes to lead-based hazards.	A Certified Risk Assessor Housing Quality Standards (HQS) inspector trained in visual assessment.	Identifies deteriorated paint; surface dust, debris and residue; or completion/failure of hazard reduction activities. (Does not say anything about presence of lead.)
Paint Testing	Testing specific surfaces by XRF or lab analysis, to determine the lead content of these surfaces.	Certified Lead-based Paint Inspector or Certified Risk Assessor.	Identifies lead-based paint on specific surfaces. (Note: Paint testing should not be confused with a lead-based paint inspection. A lead-based paint inspection is a more comprehensive survey that provides a complete list of lead-based surfaces in a unit.)
Risk Assessment	A comprehensive evaluation for lead-paint hazards that includes paint testing, dust and soil sampling and a visual evaluation.	Certified Risk Assessor	Identifies lead-based paint hazards. Report provides information on the presence, nature, severity, and location of hazards, and recommends hazard control measures. (Does not identify lead content of painted surfaces.)
Lead Hazard Screen	A limited risk assessment that can be performed in units that meet certain criteria (e.g. good condition).	Certified Risk Assessor	Identifies hazards. If Hazards are found, must do a full risk assessment.
Clearance Examination	A visual assessment, analysis of dust samples and preparation of report. It is performed after hazard reduction, rehabilitation or maintenance activities to determine if a unit is safe to occupy.	A Certified Risk Assessor, Paint Inspector or Lead Sampling Technician. (Must be independent from entity/individual conducting paint stabilization or hazard reduction.	Identifies dust hazards and deteriorated paint. Indicates if unit is safe for occupancy. A unit that fails clearance must be re-certified.



U.S. ENVIRONMENTAL
PROTECTION AGENCY
WASHINGTON, D.C. 20640

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-3000



APR 19 2001

Dear Colleague:

This letter clarifies the Title X requirements for rehabilitation and lead hazard reduction in property receiving up to \$25,000 per unit in Federal rehabilitation assistance under regulations issued by the Department of Housing and Urban Development (HUD). This letter also clarifies the definition of "abatement" under regulations issued by the Environmental Protection Agency (EPA) and HUD. Both agencies issued their regulations under the authority of Title X of the 1992 Housing and Community Development Act, which among other things amended the Toxic Substances Control Act. EPA and HUD are working together to ensure that these two regulations complement each other to ensure that children are protected from lead-based paint hazards.

EPA is authorized to set minimal standards for all lead-based paint abatements, inspections, and risk assessments. This includes establishing training and certification requirements and work practice standards for individuals and firms engaged in those activities, and developing hazard standards. While EPA regulations do not mandate abatement, they require that whenever abatement activities occur by design, they be performed by certified personnel. EPA also authorizes states and tribes to operate their own training and certification programs to address inspections, risk assessments, and abatement if they demonstrate that they are at least as protective as the EPA program and provide for adequate enforcement. Because authorized state and tribal programs may differ from the EPA training and certification program, individuals and firms working in these areas must check with the authorized state or tribe to ensure compliance with those requirements. Local jurisdictions may also have requirements for lead hazard control.

HUD is authorized to require lead-based paint hazard control measures in federally-assisted housing, community development, and loan guarantee programs, and to provide grants to address lead-based paint hazards in low-income, privately-owned dwelling units. HUD's Lead Safe Housing Rule, also issued under the authority of Title X, requires that each recipient of Federal rehabilitation assistance less than \$25,000 per unit must reduce lead-based paint hazards, through either interim controls or, if desired, abatement (this does not include public housing authorities conducting modernization). With limited exception, recipients conducting Federally assisted rehabilitation of more than \$25,000 per unit must abate lead-based paint hazards.

Pursuant to Title X, both EPA's and HUD's regulations define abatement generally as any measure or set of measures *designed* to permanently eliminate lead-based paint hazards, including occupant protection and safe work practices. Whenever activities intended to permanently eliminate lead hazards are being conducted, EPA and HUD consider such activities

to be abatement. Under HUD's Lead Safe Housing Rule, intention to conduct abatement would, in virtually all circumstances, be established when HUD regulations require abatement, when abatement is specified in work specifications, job write-ups, cost allocation, or similar documents, or when abatement is expressly ordered by a responsible state or local agency or court order. HUD regulations require abatement during modernization of conventional pre-1978 family public housing developments (regardless of funding level), conversions, and for housing rehabilitation programs funded through the HUD Office of Community Planning and Development when Federal rehabilitation assistance exceeds \$25,000 per unit.

EPA's regulations at 40 CFR Part 745.223 exclude from abatement "renovation, remodeling, landscaping or other activities, when such activities are not *designed* to permanently eliminate lead-based paint hazards, but, instead, are designed to repair, restore, or remodel a given structure or dwelling, even though these activities may incidentally result in a reduction or elimination of lead-based paint hazards" (emphasis added). When the primary purpose of work is rehabilitation or weatherization, EPA and HUD do not consider such activities to be abatement. The presence of a lead inspection or risk assessment report or the presumption of the presence of lead-based paint does not trigger federal abatement requirements or automatically change a housing rehabilitation project into an abatement project. Similarly, the use of specific work practices, such as window replacement, does not by itself change a rehabilitation project into an abatement project. On the other hand, even if a housing unit's Federal rehabilitation assistance is less than \$25,000, activities expressly intended to permanently eliminate lead hazards are considered abatement. For example, if a cost allocation document subtracts the cost of window replacement from the hard cost of rehabilitation as a lead-based paint hazard reduction measure, the window removal is considered to be abatement. Any other building component replacement, enclosure, or encapsulation measure intended to permanently eliminate a lead-based paint hazard, particularly as documented in regulation, project specifications, cost allocation document, or court or agency order is abatement.

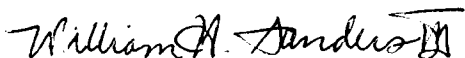
For paint repair and rehabilitation activities in properties receiving less than \$25,000 in federal rehabilitation assistance, HUD regulations require occupant protection, the use of workers trained in lead-safe work practices and clearance testing whenever more than de minimis amounts of paint are disturbed. Occupant protection is a required element of all federally-assisted rehabilitation projects covered under Subpart J of the HUD regulation, regardless of funding level, because occupant protection is a requirement under lead-safe work practices (see 24 CFR 35.1350(b) and 24 CFR 35.1345). While EPA does not currently regulate remodeling or renovation activities, both EPA and HUD support the use of lead-safe work practices for all rehabilitation and paint repair activities involving surfaces that may contain lead-based paint. HUD has adapted EPA's one-day training courses to address the requirements of HUD's Lead Safe Housing Rule and HUD is working to make its courses widely available for those subject to HUD's rule (see www.hud.gov/offices/lead for a schedule of course offerings).

HUD will enforce its requirements. Those who believe HUD's lead-based paint

regulations are being violated should send a written complaint and supporting documentation to:

John P. Kennedy
Associate General Counsel for Finance and Regulatory Enforcement
U. S. Department of Housing and Urban Development
451 Seventh St., SW
Washington, DC 20410

When fully implemented, these requirements will help to ensure that every child living in federally-assisted housing will have a lead-safe home.



William H. Sanders, III, Director
Office of Pollution Prevention and Toxics
U.S. Environmental Protection Agency



David E. Jacobs, Director
Office of Healthy Homes and Lead Hazard Control
U.S. Department of Housing and Urban
Development

ATTACHMENT VIII: **APPLYING THE POLICY IN THE EPA- HUD ABATEMENT LETTER**

The following provides sample scenarios of some of the decisions that program administrators will face when determining if the work being done in a rehabilitation project is abatement.

The analysis of each scenario is based on two principles:

1. **Intent.** The HUD/EPA Abatement Letter of April 19, 2001 stresses the importance of intent in determining whether or not a specific activity constitutes abatement. Abatement is defined as an activity that is specifically intended to permanently eliminate lead-based paint or lead-base paint hazards.

The intention to permanently eliminate lead-based paint can be established in one of four ways:

- Abatement is required by a regulation such as the Lead Safe Housing Rule. (Example: Abatement of identified lead hazards conducted in the interior of a unit where the level of rehabilitation assistance is over \$25,000 per unit.)
- Abatement is required by a court or agency order. (Example: A cord orders abatement of a unit after a lead-poisoned child is identified in the unit.)
- Project work specifications call for abatement. (Example: The project work specifications specifically state that lead is being permanently removed.)
- A cost allocation document attributes the cost of an activity to lead hazard reduction **and** the activity in question is an abatement method. There are four abatement methods: component replacement, paint removal, enclosure, and encapsulation. (Example: For an \$18,000 HOME-funded rehabilitation project, a cost allocation document allocates the cost of window replacement to lead hazard reduction. Because the window replacement is classified as a lead hazard reduction cost **and** window replacement is “component replacement”, which is an abatement method, the window replacement is considered an abatement activity and must be performed by a certified abatement contractor.)

2. **Cost Allocation.** As explained above, the intent to abatement may be established in a cost allocation document. This means that the allocation of costs – between “hard costs of rehabilitation” and “lead hazard reduction” can have significant implications on the nature of the job and hence, the qualifications of the personnel who do this job. The following scenarios illustrate this point.

Scenarios – Cost Allocation and Implication for Job Planning

(Note: For the sake of simplicity, all scenarios below assume full federal funding for the rehabilitation.)

Scenario 1: A \$12,000 rehabilitation project (hard costs) does not include window replacement. The risk assessment identifies the windows as a hazard and provides a choice between window replacement (abatement) and friction treatments (interim controls). The rehabilitation specialist decides to change the scope of his rehabilitation project to include the replacement of the windows (it turns out they are really old and there are compelling energy as well as lead reasons to replace them).

What does this mean for cost allocation purposes? In this case, the rehabilitation specialist has two options:

Option 1: The specialist can allocate cost of window replacement as a rehabilitation hard cost. In this case, an abatement crew is not required but safe work practices must be followed because lead-based paint is known to be present. Workers must, therefore be trained in safe-work practices or supervised by a certified abatement supervisor.

Option 2: The specialist can allocate the cost of window replacement to lead hazard reduction. In this case an abatement contractor will be required because window replacement is an abatement method. (It is component replacement).

Note: State regulations may affect these options. If the state regulation requires abatement certification and training for workers who perform any kind of work on a surface known to contain lead, then state requirements regarding the training and certification of such workers applies, regardless of how the costs are allocated.

Scenario 2: A \$28,000 rehabilitation project (hard costs) includes window replacement (of \$8,000). The risk assessment identifies the windows as a hazard and provides a choice between window replacement (abatement) and friction treatments (non-abatement). The risk assessment also identifies various other small hazards. The rehabilitation specialist decides to go ahead with the window replacement. He then revises the work specifications to include work on all hazards identified and finalizes the cost allocation document.

What does this mean for cost allocation purposes? In this case, the rehabilitation specialist has two options:

Option 1: The specialist can allocate the cost of the window replacement to lead hazard reduction. This would reduce the rehabilitation hard cost to \$20,000 and allow them to perform interim controls s the method of lead hazard reduction (and use trained workers). However, because component replacement is an abatement method, the window replacement must be done by an abatement crew.

Option 2: The specialist can allocate the cost of the window replacement to rehabilitation. This would bring the per unit costs to \$28,000 (i.e. over \$25,000) so abatement of all hazards is required.

Scenario 3: A \$20,000 rehabilitation project (hard costs) includes the replacement of the 8 windows on the first floor because they are old and don't work well anymore. Windows on the second floor are not scheduled for work. The risk assessment identifies all the windows in the unit as hazards and provides a choice between window replacement and window treatments. The risk assessment also identifies a number of other hazards. The rehabilitation specialist decides to go forward with the replacement of the first floor windows. The specialist opts to perform friction treatments on the remaining windows and to perform interim controls on the remaining hazards.

In the cost allocation document, the specialist allocates the cost of the window replacement to rehabilitation costs. He allocates the cost of the friction treatments and all the reduction of the other hazards to lead hazard reduction. He uses workers trained in safe work practices to perform the work.

Is this a permissible approach? Yes. None of the work on this job is abatement. Because of the way the specialist allocated the costs, the window replacement is rehabilitation (not hazard reduction and therefore, not abatement). Further, the friction treatments on the remaining windows constitute interim controls, not abatement.

What if the specialist had chosen to allocate the cost of the window replacement to lead hazard reduction? Then, it would be considered abatement because component replacement is an abatement method. In that case, he would need abatement workers to perform the window replacement. However, trained workers would be permitted to perform the friction treatments since that is an interim controls method.

Note: If state law required work on anything known to contain lead-based paint to be worked on by a certified contractor, then an abatement contractor would be required for all the lead hazard reduction work.

Scenario 4: A \$28,000 rehabilitation project (hard costs) includes window replacement (of \$8,000). The risk assessment identifies hazards throughout the unit (including the windows) and identified acceptable interim controls and abatement methods for each hazard. The cost of the abatement methods recommended by the risk assessment will total \$15,000. This cost is too high for the program to bear so the specialist reconsiders the scope of the project. The specialist rewrites the scope of the work to exclude the window replacement (thereby reducing the project hard costs to \$20,000) and includes interim controls on all hazards, including the windows that were originally scheduled for replacement. This makes the project affordable for the rehabilitation program.

Is this a permissible approach? Yes.

Simple Steps To Protect Your Family From Lead Hazards

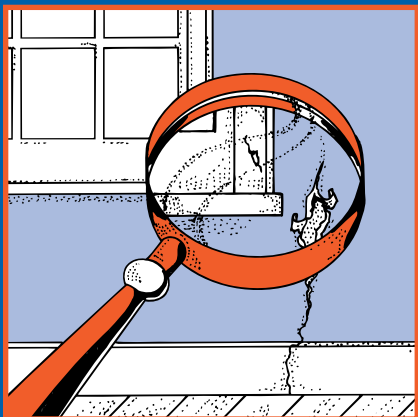
If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



Recycled/Recyclable

Printed with vegetable oil based inks on recycled paper
(minimum 50% postconsumer) process chlorine free.



Protect Your Family From Lead In Your Home



 **EPA** United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.



OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children who seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

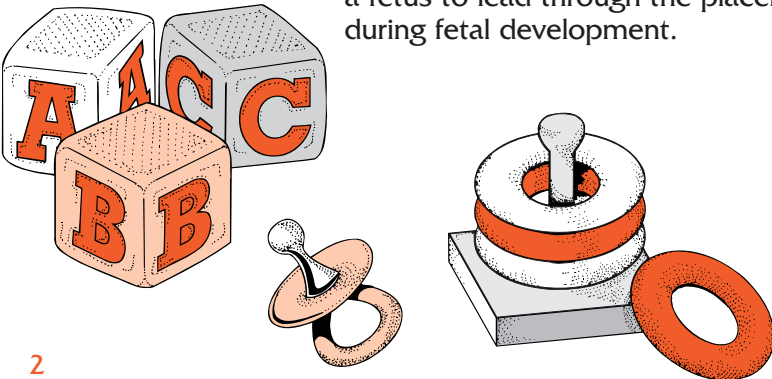
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children under the age of 6:

- ◆ At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- ◆ Children's growing bodies absorb more lead.
- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- ◆ Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.



Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

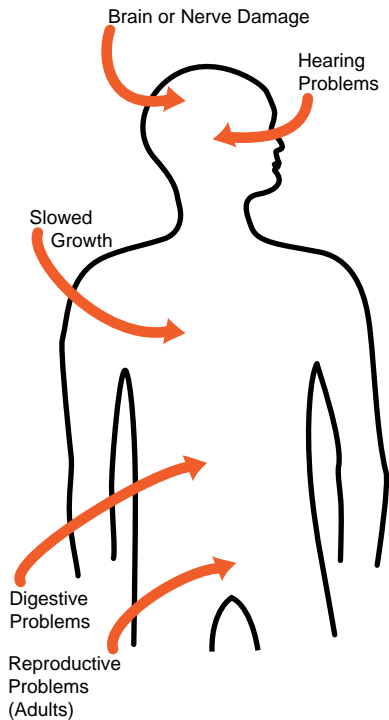
- ◆ Nervous system and kidney damage.
- ◆ Learning disabilities, attention deficit disorder, and decreased intelligence.
- ◆ Speech, language, and behavior problems.
- ◆ Poor muscle coordination.
- ◆ Decreased muscle and bone growth.
- ◆ Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- ◆ Increased chance of illness during pregnancy.
- ◆ Harm to a fetus, including brain damage or death.
- ◆ Fertility problems (in men and women).
- ◆ High blood pressure.
- ◆ Digestive problems.
- ◆ Nerve disorders.
- ◆ Memory and concentration problems.
- ◆ Muscle and joint pain.



**Lead affects
the body in
many ways.**

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside and outside of the house.
- ◆ In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- ◆ Children at ages 1 and 2.
- ◆ Children or other family members who have been exposed to high levels of lead.
- ◆ Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- ◆ 400 parts per million (ppm) and higher in play areas of bare soil.
- ◆ 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.



You can get your home tested for lead in several different ways:

- ◆ A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- ◆ A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- ◆ A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint, dust, and soil samples.

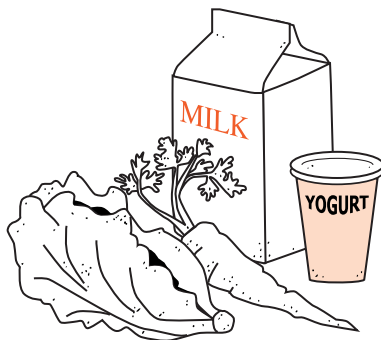
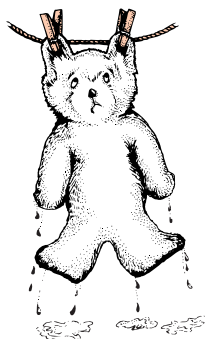
There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called “interim controls”) are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, you should hire a certified lead “abatement” contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

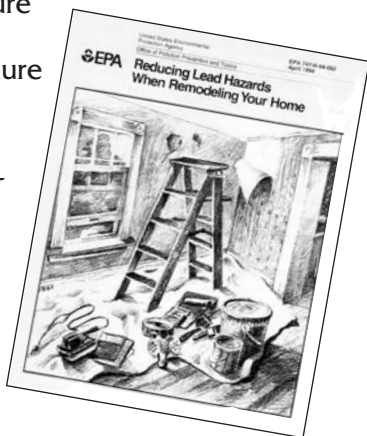
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



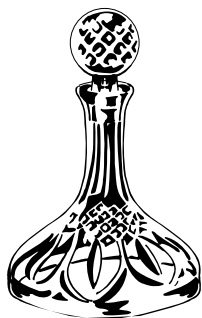
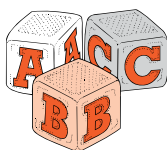
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common sources of lead, other lead sources also exist.



◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:

- Use only cold water for drinking and cooking.
- Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.

◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.

◆ Old painted **toys** and **furniture**.

◆ Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain**.

◆ **Lead smelters** or other industries that release lead into the air.

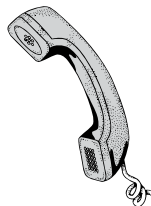
◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.

◆ **Folk remedies** that contain lead, such as “greta” and “azarcon” used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/**.



EPA's Safe Drinking Water Hotline

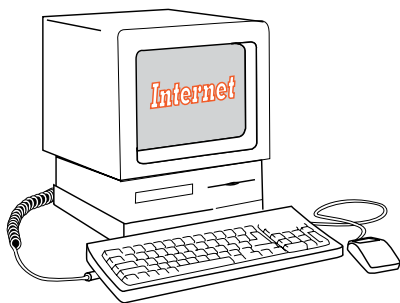
Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov**.

Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.



For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center

Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center

Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center

Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development

Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
June 2003

I have received a copy of the notice entitled:
PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME
June, 2003

Print Full Name

Address

Signature

Date

HOMEOWNER RECEIPT OF LEAD-BASED PAINT RISK ASSESSMENT
--

Address/Location of Property or Structure(s) the risk assessment applies to:

The attached copy of the *complete* Lead-Based Paint Risk Assessment has been given to the homeowner.

Administrator: _____ Date: _____

I have received a copy of the *complete* Lead-Based Paint Risk Assessment:

Homeowner's Signature: _____ Date: _____

Printed Name: _____

NOTICE THAT LEAD-BASED PAINT HAZARDS ARE PRESUMED TO BE PRESENT

Address/Location of Property or Structure(s) this summary notice applies to:

Type of Presumption (Check all that apply):

- ☐ Lead-based paint is presumed to be present.
- ☐ Lead-based paint hazard(s) is (is) presumed to be present.

Summary of Presumption. List as a minimum: the housing unit numbers and common areas (for multi-family units); bare soil locations; dust-lead locations; and/or building components (including type of room or space; and the material underneath the paint); and types of lead-based paint hazards presumed to be present:

Bare Soil (list any areas of bare soil)

Dust Locations (check the following that apply)

- ☐ Window Sills
- ☐ Window Troughs
- ☐ Floors

Other Presumed lead hazards (check any of the following components that have deteriorated paint or are friction or impact surfaces):

Exterior

- ☐ Windows
- ☐ Doors
- ☐ Trim
- ☐ Cladding
- ☐ Outbuildings
- ☐ Fences
- ☐ Porch A
- ☐ Porch B

Locations

Interior

- ☐ Windows
- ☐ Doors
- ☐ Trim
- ☐ Walls
- ☐ Floors
- ☐ Ceilings
- ☐ Other

Locations

Contact person for more information about the presumption:

Name (printed or typed): _____

Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____

Person who prepared the Notice of Presumption:

Name (printed or typed): _____

Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____

Signature: _____ Date: _____

Notice that Lead-Based Paint or Lead-Based Paint Hazards are Presumed to be Present Received by homeowner:

*Homeowner's Signature: _____ Date: _____

Printed Name: _____

Homeowner to receive this Notice within 15 days of the presumption that lead-based paint is present.

* (Proof that the notice was delivered to the homeowner, i.e. certified or registered letter, is an acceptable alternative to having the homeowner sign for the notice.)

STATUS OF COMPLIANCE WITH LEAD-BASED PAINT REGULATIONS

To be submitted with project set-up, contract, and work-write-up.

Project Name and Address: _____

1. Check applicable box(es)

- | | |
|--|--|
| <input type="checkbox"/> Post 1977 Housing | <input type="checkbox"/> Presumption of LBP |
| <input type="checkbox"/> Lead based paint inspection | <input type="checkbox"/> Lead Hazard Screening |
| <input type="checkbox"/> Risk Assessment | |

2. If inspection/risk assessment performed:

Name of Inspector/Risk Assessor _____
 Organization _____

3. Were Lead Based Paint Hazards found?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

4. If yes, were corrective measures added to the work-write-up?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

5. Type of Lead-based Paint Hazard Reduction Activity:

- | | |
|--|---|
| <input type="checkbox"/> Standard treatments | <input type="checkbox"/> Interim controls |
| <input type="checkbox"/> Abatement | <input type="checkbox"/> None |

6. Is relocation necessary?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

7. Did homeowner receive a copy of the Risk Assessment or Presumption of Lead?

- | | |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|

8. Copy of Risk Assessment attached?

- | | | |
|------------------------------|-----------------------------|---|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A Copy already submitted |
|------------------------------|-----------------------------|---|

Administrator: _____

Signature: _____ Date: _____

<p>HOMEOWNER RECEIPT OF LEAD-BASED PAINT CLEARANCE REPORT</p>
--

Address/Location of Property or Structure(s) the clearance report applies to:

The attached copy of the *complete* Lead-Based Paint Clearance Report has been given to the homeowner.

Administrator: _____ Date: _____

I have received a copy of the *complete* Lead-Based Paint Clearance Report.

Homeowner's Signature: _____ Date: _____

Printed Name: _____

STATEMENT OF COMPLETION AND CLEARANCE

To be submitted with Certification of Completion and Final Inspection

Project Name and Address: _____

1. If inspection/risk assessment performed:

Name of Inspector/Risk Assessor _____

Organization _____

2. Were all lead-based paint hazards corrected during rehab?

☐ Yes ☐ No

3. Date Clearance achieved: _____

☐ Yes ☐ No

4. Date home reoccupied: _____

5. Did homeowner receive a copy of the Clearance Report?

☐ Yes ☐ No

If yes, date provided to homeowner: _____

6. Has a copy of the Clearance Report and the Risk Assessment been submitted to THDA?

☐ Yes ☐ No ☐ N/A Already submitted

Administrator: _____

Signature: _____

Date: _____

ELDERLY RELOCATION WAIVER

Must be completed and signed by each elderly resident of the household.

Address/Location of Property or Structure(s) this waiver applies to:

I, _____, the undersigned,

☐ choose to remain in my home while rehabilitation work by [insert Grantee name]
_____ is being performed.

☐ choose to relocate to another unit while the work is being performed.

I have made this choice having read and understood the following:

1. I am at least 62 years old.
2. My home was built before 1978.
3. I have received the pamphlet *Protect Your Family from Lead in Your Home*; and I am aware of the health hazards that are posed by lead-based paint.
4. I have been given a description of work that will be done in my home and understand that during the course of the work, lead hazards may be created in the work area. These hazards will be fixed before the job is considered complete.
5. I may stay in my home but I may not enter the work area while work is being performed.
6. I certify that no children under age six or women of childbearing age currently live in the unit or spend significant amounts of time in the unit.
7. I understand that allowing children under age six or women of childbearing age to visit my home while work is being done may pose a risk to their health.
8. I waive rights to all damages. I agree to hold harmless the [insert Grantee name]
_____ for any damages due to lead poisoning that occur on these premises during the course of the work.

Signed:

Name	Date	Name	Date

CHAPTER NINE

HOMEOWNERSHIP

1. OVERVIEW

- 1.1. This Chapter provides guidance in the operation of your Homeownership program. HOME funds can be used for acquisition (including soft second mortgages for downpayment and closing costs), acquisition and rehabilitation or new construction of homes. THDA restricts a Grantee's HOME activity based on its classification as either a state recipient, a subrecipient or a Community Housing Development Organization (CHDO).

2. ELIGIBLE ACTIVITIES (92.254)

2.1 HOMEOWNERSHIP PROGRAMS BY CHDOS

1. *Construction financing* - An up front source of funds (without interest costs) to build affordable, new single family units for sale to low income households; or
2. *Acquisition and rehabilitation* - HOME funds are used to acquire existing units and to provide the necessary rehabilitation for resale to a low income household.
3. At the time of permanent financing, the *CHDO must leave up to \$14,999 of HOME funds with the unit as a soft second mortgage as necessary to qualify the household.*
4. The HOME funds used to construct or acquire and rehabilitate the unit must be repaid to the CHDO and are considered CHDO proceeds. The CHDO proceeds must then be used for a HOME-eligible housing activity as specified in the Special Conditions in the Working Agreement and *Chapter Two: Financial Management, Section 8.5 and 8.6.*

2.2 HOMEOWNERSHIP PROGRAMS BY CITIES, COUNTIES AND NON-PROFIT ORGANIZATIONS (non-CHDO) - Homeownership programs are restricted to soft second mortgages as necessary to qualify the household for permanent financing.

2.3 SOFT SECOND MORTGAGES - In order to qualify a family in homeownership programs, HOME funds may be used for soft second mortgages. The soft second mortgages are limited to a maximum subsidy of \$14,999 per household with a five year affordability period forgiven at the end of the affordability period if the unit maintains compliance (i.e., primary residence of initial homebuyer, not leased, etc). If the unit is sold during the affordability period, the HOME funds would be due on sale to THDA, subject to the provisions outlined in Section 5.

2.4 PERMANENT FINANCING - THDA encourages the use of THDA mortgages or comparable financing whenever possible. The proposed permanent financing must be at an interest rate which does not exceed the prevailing THDA Great Rate at time of pre-

approval by more than two percentage points. All loans must have a fixed interest rate fully amortizing over the term of the loan. There can be no pre-payment penalty for early payoffs.

- 2.5. **HOMEBUYER IDENTIFIED** - Before construction or acquisition/rehabilitation can begin under homeownership, there must be a homebuyer pre-approved for a permanent loan identified with a specific property. Speculative construction or acquisition is not permitted.
- 2.6 **SALES PRICE LIMITS** - The sales price limits for homeownership programs are the same as the property value limits for homeowner rehabilitation programs. See **Attachment X: Property Value Limits**.
- 2.7 **LEASE-PURCHASE AGREEMENTS** – Lease purchase options can be used in homeownership programs, especially those that target households at the lower end of the income range by helping them accumulate a downpayment while they build their “ownership skills.”
 1. Ownership must be conveyed to an eligible homebuyer within 36 months of signing the lease-purchase agreement, or within 42 months of project completion.
 - a. If at the end of the 36-month period, the household occupying the lease-purchase unit is not eligible or able to purchase the unit, the Grantee has an additional six months to identify an eligible homebuyer to purchase the unit.
 - b. In all cases, if a homebuyer does not purchase the unit by the end of the 42-month period, the project becomes a HOME rental project subject to HOME rental rules.

3. HOMEBUYER ELIGIBILITY REQUIREMENTS (92.254)

- 3.1 To be eligible for HOME funds, the prospective purchaser must have a low-income, that is, a gross annual household income that does not exceed 80 percent of the median for this area. The HOME program establishes the following timing for qualifying HOME-assisted homebuyers as income eligible:
 1. In the case of a contract to purchase existing housing, the purchasing household must be low-income at the time of purchase;
 2. In the case of a contract to purchase housing to be constructed, the purchasing household must be low income at the time the contract is signed; and
 3. In the case of a lease-purchase agreement (for existing housing or housing to be constructed), the purchasing household must be low income at the time the lease-purchase agreement is signed.
- 3.2 The prospective purchaser must occupy the property as his/her principal residence.
- 3.3 All homebuyers must complete a homeownership education program prior to purchase.

- 3.4 The homebuyer must obtain fee simple title to the property or a 99-year leasehold.
- 3.5 Total household debt, including the new housing payment, should not exceed 45% of the gross monthly income.

4. PROPERTY REQUIREMENTS (92.254)

- 4.1 The housing must be single-family (1-4 family residence, condominium unit, or combination manufactured home and lot).
- 4.2 The housing must be modest:
 - 1. ACQUISITION – In the case of property that does not require rehabilitation, the sales price of the HOME property to be acquired by a homebuyer may not have a value that exceeds 95% of the median purchase price for that type of housing. See **Attachment X: Property Value Limits**.
 - 2. ACQUISITION AND REHABILITATION – If rehabilitation is required, the value of the property *after rehabilitation* may not exceed 95% of the median purchase price for that type of housing. The after rehabilitation value estimate should be completed prior to the investment of HOME funds. See **Attachment X: Property Value Limits**.
- 4.3 The housing must meet certain written standards.
 - 1. REHABILITATION AND NEW CONSTRUCTION - Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME assisted new construction must meet the 2003 International Residential Code for One- and Two-Family Dwellings, and existing units must meet the 2003 International Property Maintenance Code. New construction projects must also meet the 2003 International Energy Conservation Code, published by the International Code Council.
 - 2. ACQUISITION – In homeownership programs in which HOME funds are used only for downpayment and closing cost assistance, the housing must meet all applicable State and local housing quality standards and code requirements. In the absence of such standards or code requirements, the housing must meet the Section 8 Housing Quality Standards.
- 4.4 LEAD-BASED PAINT AND ACQUISITION REHABILITATION PROGRAMS
 - 1. Acquisition of pre-1978 housing for the purpose of rehabilitation and resale to a prospective homebuyer is covered by Subpart J of the Residential Lead-based Paint Hazard Reduction Act of 1992 for the rehabilitation of the dwelling unit. *See Chapter 8 Lead Based Paint.*
 - 2. Acquisition of pre-1978 housing by a prospective homebuyer after rehabilitation is covered by Subpart K of the Residential Lead-based paint Hazard Reduction Act of 1992. *See Chapter 8 Lead Based Paint.*

- a. The Grantee must provide a disclosure form to the prospective buyer noting any known presence of lead-based paint.
- b. The Grantee must provide the lead hazard information pamphlet (LBP-1) to the homebuyer.
- c. Each Grantee shall conduct the following activities for the dwelling unit and all common areas servicing the dwelling unit and the exterior surfaces of the building in which the dwelling unit is located:
 - i. A visual assessment of all painted surfaces in order to identify deteriorated paint;
 - ii. Paint stabilization of each deteriorated paint surface, including removal of loose paint and application of new paint;
 - iii. The use of safe work practices by a qualified worker; and
 - iv. Clearance testing by a certified lead-paint inspector or risk assessor.
- d. A copy of the Clearance Report must be provided to the prospective homebuyer within 15 days of completion of the reduction activities. The Grantee must maintain documentation that the homebuyer has received the Clearance Report.

4.5 LEAD BASED PAINT AND DOWNPAYMENT ASSISTANCE PROGRAMS

- 1. The current owner must provide a disclosure form to the prospective buyer noting any known presence of lead-based paint.
- 2. The Grantee must provide the lead hazard information pamphlet (LBP-1) to the homebuyer
- 3. All homes built before 1978 must pass a visual lead-based paint assessment.
 - a. There must be no deteriorated paint in the dwelling at the time of the visual lead-based paint assessment (i.e., chipping, cracking, chalking, damaged, separated from substrate).
 - b. The property being purchased must receive a passing lead-based visual assessment by a housing professional who has at a minimum completed HUD's Lead Based Paint Visual Assessment Training Course. This one hour course may be completed on HUD's web-site at <http://www.hud.gov/offices/lead/training/visualassessment/h00200.htm>.
 - c. Should a home fail a visual assessment, it is the responsibility of a willing seller to bring the home into compliance with all HUD lead based paint regulations using safe work practices, qualified workers, and clearance testing if the transaction is to proceed utilizing HOME funds. HOME funds cannot be used to pay for any rehabilitation activities.

- d. A copy of the Clearance Report must be provided to the prospective homebuyer within 15 days of completion of the reduction activities. The Grantee must maintain documentation that the homebuyer has received the Clearance Report.

5 All codes and standards must be met at the time of occupancy.

5. HOME SUBSIDY LIMITS (92.205(c) and 92.250)

5.1	MINIMUM HOME DOLLARS	\$1,000	PER UNIT
5.2	MAXIMUM HOME DOLLARS	\$47,890	EFFICIENCY LIMIT
		\$54,897	1-BEDROOM LIMIT
		\$66,755	2-BEDROOM LIMIT
		\$86,358	3-BEDROOM LIMIT
		\$94,795	4-BEDROOM+ LIMIT

6. LONG-TERM AFFORDABILITY REQUIREMENTS (92.254)(a)(4)

- 6.1. Unlike affordability requirements in HOME rental programs which control the allowable rent and income of the tenants, affordability periods in homeownership programs relate to the subsequent sale of the property by the HOME-assisted homeowner. The affordability period is based on the amount of HOME funds provided for the property.

HOME FUNDS PROVIDED	AFFORDABILITY PERIOD
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years

- 6.2 The HOME Rule allows two options for controlling the subsequent sale of the homebuyer property during the affordability period: the recapture option and the resale option. THDA has chosen to implement the less restrictive recapture option for its homeownership programs under HOME.
- 6.3 **RECAPTURE** - The homeowner is required to repay all or a portion of the *direct HOME subsidy* if the property is sold, or transferred *during the affordability period*.
1. The homeowner may sell the property to any willing buyer at whatever price the market will bear as long as all or a portion of the HOME debt remaining on the property is repaid.

2. The Grantee may reduce the amount of the HOME subsidy to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
 3. However, if the unit does not remain in compliance for the affordability period, i.e., the unit is leased or does not remain the principal residence of the homebuyer, then *the entire amount of direct HOME subsidy must be recaptured.*
- 6.4 When the sale of a HOME-assisted house during the affordability period results in repayment of some or all of the HOME subsidy, the State or its Grantee can use the proceeds for a HOME-eligible activity, as specified in the Working Agreement.
- 6.5 The recapture option may only be used with direct financial assistance to the homebuyer. Development subsidies are not subject to recapture but are subject to the more restrictive resale option.
- 6.6 The following are recapture requirements which must be specified in the Notes and Deeds of Trust:
1. *Recapture the entire amount.* The Grantee must recapture the entire amount of the HOME investment from the homeowner if the unit does not remain his/her principal residence throughout the period of affordability.
 2. *Reduction during affordability period when the unit is sold.* The Grantee may reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.
 3. *Shared net proceeds when the unit is sold.* If the net proceeds are not sufficient to recapture the full HOME investment (or a reduced amount under 6.3-2 above) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since purchase, the Grantee may share the net proceeds according to the following formula:

$$\frac{\text{HOME Subsidy}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapture Amount}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Homeowner Repayment}$$
 4. The net proceeds may be divided proportionately as set forth in the steps:
 - a. *Application of Forgiveness Feature.* Once the net proceeds are determined from the sale of the property, the Grantee may reduce the amount due based on the length of time the homebuyer has occupied the home in relation to the affordability period. Soft second mortgages up to \$14,999 have a five year affordability period and a forgiveness feature of 20% per year.

- b. *Amount subject to recapture.* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- c. After the full HOME investment has been repaid, any excess profits will belong to the homeowner.

7. ENFORCEMENT

7.1 Legal documents, including a Deed of Trust and a Restrictive Covenant, are provided and required by THDA to be recorded against the property. These documents enforce the affordability requirements of the HOME regulations.

1. CONSTRUCTION FINANCING BY CHDOS:

- a. Prior to drawing down HOME funds, the CHDO will execute a Restrictive Covenant and a Deed of Trust with THDA and record these documents as a lien on the property.
- b. Upon sale of the property to an eligible homebuyer, THDA will release its Restrictive Covenant and Deed of Trust. The CHDO will execute a Grant Note and Deed of Trust with the homebuyer as part of the closing to secure the soft second mortgage of up to \$14,999 under the recapture provisions of the HOME Rule.
- c. A copy of the Grant Note and recorded Deed of Trust is forwarded to THDA.

2. HOMEOWNERSHIP PROGRAMS BY CITIES, COUNTIES AND NON-CHDO NON-PROFITS:

- a. The Grantee will execute a Grant Note and Deed of Trust with the homebuyer as part of the closing to secure the soft second mortgage of up to \$14,999 under the recapture provisions of the HOME Rule.
- b. A copy of the Grant Note and recorded Deed of Trust is forwarded to THDA.

7.2 THDA has prepared legal documents to secure the affordability period of homeownership programs. The Grant Note and Deed of Trust between the Grantee and the homebuyer are included in this chapter. Grantees should contact their program specialist for the appropriate document to secure HOME funds being used for construction financing or acquisition/rehabilitation.

8. CHDO PROCEEDS

- 8.1 The CHDO will provide THDA with quarterly reports with respect to the following:
1. Receipt of CHDO proceeds specified in paragraph 8.6 (1-4) in Chapter Two: Financial Management;
 2. Use of all CHDO proceeds in accordance with the Working Agreement;
 3. After CHDO proceeds have been used a second time to develop more housing, the HOME restrictions on the use of proceeds will be eliminated. However, there will be a cap of 25% on the amount of CHDO proceeds which can be used for operating or administrative expenses, and CHDOs will be required to submit audited financial statements to demonstrate that the 25% cap has not been executed.
- 8.2 Recaptured funds are HOME funds which are recouped by the Grantee (City, County, Non-profit or CHDO) whom HOME assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by 24 CFR 92.254(a)(5)(ii). In accordance with 24 CFR 92.503(c), THDA requires that recaptured funds must be returned for deposit in the State's HOME Investment Trust Fund local account.

9. AFFIRMATIVE MARKETING

- 9.1 Affirmative Marketing is required for projects consisting of 5 or more HOME-assisted units. Grantees must have procedures in place to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. (See EO-3 in Chapter Six: Fair Housing and Equal Opportunity.)
- 9.2 Affirmative marketing procedures include:
1. Making this information known through advertisements and announcements in the local media which include the Equal Opportunity logotype or slogan; and
 2. Contacting lenders, community organizations, places of worship, employment centers, fair housing groups or housing counseling agencies to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach (e.g., racial minorities and female head of household).

10. ENVIRONMENTAL REVIEW

- 10.1 (24 CFR 58.35(b)) HUD has determined that certain categorically excluded activities would not alter any conditions that would require an environmental review or

compliance determination under Federal laws and authorities cited in §58.5. Examples of activities that are categorical exclusions not subject to §58.5 include the following:

- a. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title.

Warning: homebuyer assistance for units not already under construction must be treated as a categorical exclusion requiring compliance with the authorities cited in §58.5.

- b. Housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities that do not have a physical impact.
- 10.2 These activities are treated like exempt activities. The Grantee is not required to undertake a NEPA level review or document that the activities comply with other Federal laws and authorities found at §58.5. Additionally, no public notices are published, and a Request for Release of Funds and Certification (ER-14) is not submitted to THDA. The Grantee must document its determination that the activity is a categorical exclusion not subject to §58.5 authorities, and place the document into the Environmental Review Record.
- 10.3 Activities or projects that are determined to be categorical exclusions must also comply with the provisions of §58.6 for special flood hazard area, and run way clear zones or clear zones (ER-16).
- 10.4 ER-16 form is to be submitted with each request for payment for DPA only programs.

11. DEFINITIONS FOR HOMEOWNERSHIP PROGRAMS

- 11.1 **DIRECT SUBSIDY** – A direct subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise subsidizes the purchase. Funds that *directly* benefit a homebuyer include down payment or closing cost assistance, reduction of the sales price of a property to below the appraised market value, and interest rate buydowns. The direct HOME subsidy amount determines the length of the affordability period based upon the amount of HOME funds that are of direct benefit to the homebuyer. HOME regulations require repayment of HOME funds that directly enable a homebuyer to purchase an eligible property. HOME subsidies that *indirectly* benefit a homebuyer are not subject to recapture.
- 11.2 **DEVELOPMENT SUBSIDY** – A development subsidy is the difference between the cost to develop housing and the market price. For example, a developer might receive a HOME grant of \$50,000 to construct a new house. The appraised value after construction is only \$45,000 due to the neighborhood and market conditions. The \$5,000 difference between the \$50,000 construction grant and the \$45,000 sales price is not repaid to THDA and represents a development subsidy to the developer. While the development subsidy does not directly benefit the homebuyer, it helps make development of affordable housing feasible.

- 11.3 **HOMEBUYER INVESTMENT** – The homebuyer’s investment consists of the portion of the initial downpayment paid by the homebuyer combined with the value of any capital improvements made with the homebuyer’s funds.
- 11.4 **DOWNPAYMENT** - Downpayment means the amount reflected as downpayment on the settlement statement for the original purchase of the property by the homebuyer and paid by the homebuyer from his/her own funds. The downpayment does not include the amount of a downpayment paid by another on or on behalf of the homebuyer.
- 11.5 **CAPITAL IMPROVEMENT INVESTMENT** - Capital improvement investment means the improvements to the property made at the homeowner’s expense (and not through some other form of subsidy), as evidenced by receipts or cancelled checks detailing the capital improvements made. Capital improvements do not include items of maintenance, deferred maintenance or cosmetic improvements.
- 11.6 **NET PROCEEDS** – The net proceeds of a sale are the sales price minus closing costs and any non-HOME loan repayments.

ATTACHMENT IX: SUMMARY OF KEY HOMEBUYER RULES AND DOCUMENTATION

KEY HOME REQUIREMENT		DOCUMENTATION
Eligible Participants		
Owner Income	<ul style="list-style-type: none"> Gross income \leq 80% of median income based on the upcoming 12 months. Income is defined by Section 8 annual income determination. 	<ul style="list-style-type: none"> Complete application in project file. Source documentation (wage statements, interest statements in project file).
Owner Occupancy	<ul style="list-style-type: none"> Applicant must purchase property and maintain it as his/her principal residence. 	<ul style="list-style-type: none"> Client must sign a clause on the application form certifying that the property is the principal residence.
Ownership Interest	<ul style="list-style-type: none"> Applicant must obtain ownership of the property through: <ul style="list-style-type: none"> ⇒ Fee simple title; or ⇒ 99-year leasehold interest. 	<ul style="list-style-type: none"> Copy of recorded deed or other ownership document in the project file.
Eligible Property		
Property Type	<ul style="list-style-type: none"> Eligible property types include: <ul style="list-style-type: none"> ⇒ One-to-four family dwelling; ⇒ Condominium unit; or ⇒ Manufactured home and lot. 	<ul style="list-style-type: none"> If 2-4 units, indicate status of non-owner occupied units in the application. If non-owner units were assisted with HOME funds, provide agreement with homeowner regarding HOME rental requirements and maintain rental records.
Property Value	<ul style="list-style-type: none"> Sales price must not exceed 95% of area median purchase price. If rehabilitating property, after rehabilitation value must not exceed 95% of area median purchase price. <ul style="list-style-type: none"> ⇒ 203(b) Limits (Attachment X) 	<ul style="list-style-type: none"> Copy of Contract for Sale of Real Estate Documentation of method used to determine the after rehabilitation value.
Property Standards	<ul style="list-style-type: none"> If acquisition only, property must meet local codes or standards, or in the absence of local codes, the 2003 International Property Maintenance Code. If acquisition and rehabilitation, property must meet local codes and standards, or in the absence of local codes, the 2003 International Property Maintenance Code. If new construction, property must meet local codes and standards, or in the absence of local codes, the 2003 International Residential Code for One- and Two Family Dwellings and the 2003 International Energy Conservation Code. 	<ul style="list-style-type: none"> Document local code inspection Include inspection reports or certification by inspector in project record. Occupancy certificate from local code department.
Long-Term Affordability		
Affordability Period	<ul style="list-style-type: none"> Property must be subject to recapture provisions for the period of affordability. <ul style="list-style-type: none"> ⇒ All or a portion of the direct HOME subsidy to the homebuyer must be recaptured if property is sold or transferred during affordability period ⇒ If the property does not remain the permanent residence of the homebuyer or the property is leased, the entire direct HOME subsidy must be repaid. 	<ul style="list-style-type: none"> Deed of Trust and Note showing the formula by which HOME funds will be recaptured.

ATTACHMENT X:**PROPERTY VALUE LIMITS**

MAXIMUM PROPERTY VALUE AFTER REHABILITATION FOR HOMEOWNER REHABILITATION PROJECTS AND MAXIMUM PURCHASE PRICE FOR HOMEOWNERSHIP PROJECTS (NEW CONSTRUCTION AND ACQUISITION-REHABILITATION)

EFFECTIVE JANUARY 1, 2006

FHA MORGAGEE LETTER 2005-49

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
ANDERSON	\$200,160	\$256,248	\$309,744	\$384,936
BEDFORD	\$200,160	\$256,248	\$309,744	\$384,936
BENTON	\$200,160	\$256,248	\$309,744	\$384,936
BLEDSE	\$200,160	\$256,248	\$309,744	\$384,936
BLOUNT	\$200,160	\$256,248	\$309,744	\$384,936
BRADLEY	\$200,160	\$256,248	\$309,744	\$384,936
CAMPBELL	\$200,160	\$256,248	\$309,744	\$384,936
CANNON	\$226,100	\$256,248	\$309,744	\$384,936
CARROLL	\$200,160	\$256,248	\$309,744	\$384,936
CARTER	\$200,160	\$256,248	\$309,744	\$384,936
CHEATHAM	\$226,100	\$256,248	\$309,744	\$384,936
CHESTER	\$200,160	\$256,248	\$309,744	\$384,936
CLAIBORNE	\$200,160	\$256,248	\$309,744	\$384,936
CLAY	\$200,160	\$256,248	\$309,744	\$384,936
COCKE	\$200,160	\$256,248	\$309,744	\$384,936
COFFEE	\$200,160	\$256,248	\$309,744	\$384,936
CROCKETT	\$200,160	\$256,248	\$309,744	\$384,936
CUMBERLAND	\$200,160	\$256,248	\$309,744	\$384,936
DAVIDSON	\$226,100	\$256,248	\$309,744	\$384,936
DECATUR	\$200,160	\$256,248	\$309,744	\$384,936
DEKALB	\$200,160	\$256,248	\$309,744	\$384,936
DICKSON	\$226,100	\$256,248	\$309,744	\$384,936
DYER	\$200,160	\$256,248	\$309,744	\$384,936
FAYETTE	\$200,160	\$256,248	\$309,744	\$384,936
FENTRESS	\$200,160	\$256,248	\$309,744	\$384,936
FRANKLIN	\$200,160	\$256,248	\$309,744	\$384,936
GIBSON	\$200,160	\$256,248	\$309,744	\$384,936
GILES	\$200,160	\$256,248	\$309,744	\$384,936
GRAINGER	\$200,160	\$256,248	\$309,744	\$384,936
GREENE	\$200,160	\$256,248	\$309,744	\$384,936
GRUNDY	\$200,160	\$256,248	\$309,744	\$384,936
HAMBLE	\$200,160	\$256,248	\$309,744	\$384,936
HAMILTON	\$200,160	\$256,248	\$309,744	\$384,936
HANCOCK	\$200,160	\$256,248	\$309,744	\$384,936
HARDEMAN	\$200,160	\$256,248	\$309,744	\$384,936
HARDIN	\$200,160	\$256,248	\$309,744	\$384,936
HAWKINS	\$200,160	\$256,248	\$309,744	\$384,936
HAYWOOD	\$200,160	\$256,248	\$309,744	\$384,936
HENDERSON	\$200,160	\$256,248	\$309,744	\$384,936
HENRY	\$200,160	\$256,248	\$309,744	\$384,936
HICKMAN	\$226,100	\$256,248	\$309,744	\$384,936
HOUSTON	\$200,160	\$256,248	\$309,744	\$384,936
HUMPHREYS	\$200,160	\$256,248	\$309,744	\$384,936
JACKSON	\$200,160	\$256,248	\$309,744	\$384,936
JEFFERSON	\$200,160	\$256,248	\$309,744	\$384,936

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
JOHNSON	\$200,160	\$256,248	\$309,744	\$384,936
KNOX	\$200,160	\$256,248	\$309,744	\$384,936
LAKE	\$200,160	\$256,248	\$309,744	\$384,936
LAUDERDALE	\$200,160	\$256,248	\$309,744	\$384,936
LAWRENCE	\$200,160	\$256,248	\$309,744	\$384,936
LEWIS	\$200,160	\$256,248	\$309,744	\$384,936
LINCOLN	\$200,160	\$256,248	\$309,744	\$384,936
LOUDON	\$200,160	\$256,248	\$309,744	\$384,936
MACON	\$226,100	\$254,600	\$309,744	\$384,936
MADISON	\$200,160	\$256,248	\$309,744	\$384,936
MARION	\$200,160	\$256,248	\$309,744	\$384,936
MARSHALL	\$200,160	\$256,248	\$309,744	\$384,936
MAURY	\$200,160	\$256,248	\$309,744	\$384,936
McMINN	\$200,160	\$256,248	\$309,744	\$384,936
McNAIRY	\$200,160	\$256,248	\$309,744	\$384,936
MEIGS	\$200,160	\$256,248	\$309,744	\$384,936
MONROE	\$200,160	\$256,248	\$309,744	\$384,936
MONTGOMERY	\$200,160	\$256,248	\$309,744	\$384,936
MOORE	\$200,160	\$256,248	\$309,744	\$384,936
MORGAN	\$200,160	\$256,248	\$309,744	\$384,936
OBION	\$200,160	\$256,248	\$309,744	\$384,936
OVERTON	\$200,160	\$256,248	\$309,744	\$384,936
PERRY	\$200,160	\$256,248	\$309,744	\$384,936
PICKETT	\$200,160	\$256,248	\$309,744	\$384,936
POLK	\$200,160	\$256,248	\$309,744	\$384,936
PUTNAM	\$200,160	\$256,248	\$309,744	\$384,936
RHEA	\$200,160	\$256,248	\$309,744	\$384,936
ROANE	\$200,160	\$256,248	\$309,744	\$384,936
ROBERTSON	\$226,100	\$256,248	\$309,744	\$384,936
RUTHERFORD	\$226,100	\$256,248	\$309,744	\$384,936
SCOTT	\$200,160	\$256,248	\$309,744	\$384,936
SEQUATCHIE	\$200,160	\$256,248	\$309,744	\$384,936
SEVIER	\$200,160	\$256,248	\$309,744	\$384,936
SHELBY	\$200,160	\$256,248	\$309,744	\$384,936
SMITH	\$226,100	\$256,248	\$309,744	\$384,936
STEWART	\$200,160	\$256,248	\$309,744	\$384,936
SULLIVAN	\$200,160	\$256,248	\$309,744	\$384,936
SUMNER	\$226,100	\$256,248	\$309,744	\$384,936
TIPTON	\$200,160	\$256,248	\$309,744	\$384,936
TROUSDALE	\$226,100	\$256,248	\$309,744	\$384,936
UNICOI	\$200,160	\$256,248	\$309,744	\$384,936
UNION	\$200,160	\$256,248	\$309,744	\$384,936
VAN BUREN	\$200,160	\$256,248	\$309,744	\$384,936
WARREN	\$200,160	\$256,248	\$309,744	\$384,936
WASHINGTON	\$200,160	\$256,248	\$309,744	\$384,936
WAYNE	\$200,160	\$256,248	\$309,744	\$384,936
WEAKLEY	\$200,160	\$256,248	\$309,744	\$384,936
WHITE	\$200,160	\$256,248	\$309,744	\$384,936
WILLIAMSON	\$226,100	\$256,248	\$309,744	\$384,936
WILSON	\$226,100	\$256,248	\$309,744	\$384,936

SAMPLE

HOME PROGRAM POLICIES AND PROCEDURES FOR HOMEOWNERSHIP PROGRAM USING SOFT SECOND MORTGAGES FOR DOWNPAYMENT CLOSING COST ASSISTANCE

1. PURPOSE

This program will make available financial in the form of soft second mortgages as necessary to qualify eligible, low income households for permanent financing to purchase a home.

2. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

3. PROGRAM RESOURCES

The source of funds for the undertaking of these activities is a grant in the amount of \$_____ which _____ has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

4. APPLICABLE LAWS

- A. The local governing bodies, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.
 - 1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).
 - 2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)

3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.
4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
6. Affirmative Marketing, 24 CFR 92.351.
7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.
8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.
9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
11. Drug-Free Workplace, 24 CFR part 24, subpart F.
12. Standard Equal Opportunity Construction Contract Specifications.
13. Certification of Non-segregated Facilities for Contracts Over \$10,000.
14. Title VI of Civil Rights Act of 1964 Provisions.
15. Section 109 of Housing and Community Development Act of 1974 Provisions.
16. Section 3 Compliance Provisions.
17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

5. DRUG-FREE WORKPLACE

- A. The _____ (HOME Grantee) will or will continue to provide a drug-free workplace by:
1. Notifying employees in writing that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition.
 2. Establishing an ongoing drug-free awareness program to inform employees about:

- a. The dangers of drug abuse in the workplace;
 - b. The Grantee's policy of maintaining a drug-free workplace;
 - c. Any drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- C. Providing each employee engaged in the performance of the HOME contract a copy of the notification required in paragraph A(1) above;
- D. The written notification required in paragraph A(1) above will advise the employee that as a condition of employment under the HOME grant, the employee will:
 - 1. Abide by the terms of the notification; and
 - 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- E. Notifying the State in writing, within ten (10) calendar days after receiving notice under D(2) above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- F. Taking one of the following actions, within thirty (30) calendar days of receiving notice under D(2) above, with respect to any employee who is so convicted:
 - 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
 - 3. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs A, B, C, D, E and F above.

6. CONFLICT OF INTEREST

- A. **INELIGIBLE PERSONS** – Employees of HOME grantees (city, county or non-profit agencies, including CHDOs), board members of non-profit agencies (including CHDOs) or the father, mother, husband, wife, brother, sister or children of any city or county elected official or any employee or board member of the non-profit organization is ineligible to receive benefits through the HOME program.

7. AFFIRMATIVE MARKETING

- A. _____ is committed to non-discrimination and equal opportunity in housing, and will seek to attract eligible homebuyers from all racial, ethnic and gender groups. In order to inform the public and potential homebuyers of available housing units, _____ will:
1. Make this information known through advertisements and announcements in the local media which include the Equal Opportunity logotype or slogan; and
 2. Contact lenders, community organizations, places of worship, employment centers, fair housing groups or housing counseling agencies to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach (e.g., racial minorities and female head of household).

8. HOMEBUYER ELIGIBILITY REQUIREMENTS

- A. The prospective purchaser must be low income, that is, have a gross annual household income that does not exceed 80% of the area median, adjusted for family size, as defined by the Section 8 income requirements.
- B. The HOME program established the following timing for qualifying HOME-assisted homebuyers as income eligible:
1. In the case of a contract to purchase existing housing, the purchasing household must be low-income at the time of purchase;
 2. In the case of a contract to purchase housing to be constructed, the purchasing household must be low-income as the time the construction contract is signed; and
 3. In the case of a lease-purchase agreement for existing housing or housing to be constructed, the purchasing household must be low-income at the time the lease-purchase agreement is signed.
- C. The prospective homebuyer must occupy the property to be purchased as his/her principal residence.
- D. All homebuyers must complete a minimum of 8 hours of homeownership education program prior to purchase.
- E. The homebuyer must obtain fee simple title to the property or a 99-year leasehold.

9. INCOME ELIGIBILITY

- A. **ANNUAL INCOME (GROSS INCOME)** - The HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:
1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and
 3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.
 4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
 5. **MONTHLY GROSS INCOME** - Monthly gross income is Annual Gross Income divided by 12 months.
- B. **ASSETS** - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.
1. **MARKET VALUE** - The market value of an asset is simply its dollar value on the open market. For example, a stock's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.
 2. **CASH VALUE** - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:
 - a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or
 - b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.

- c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.
- C. **INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest or dividends from an asset, the interest or dividends is still counted as income.
 - 1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.
 - a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or
 - b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.
 - c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.
 - 2. When an Asset Produces Little or No Income:
 - a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.
 - b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:
 - i. actual income from assets, or
 - ii. imputed income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added together. Use the standard passbook rate to determine the annual income from assets for this family.
 - 3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years

preceding the income determination be counted as if the household still owned the asset.

- a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).
- b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.
- c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

D. ASSETS INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.
2. Stocks, bonds, savings certificates, money market funds and other investment accounts.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*
4. The cash value of trusts that are available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Cash value of life insurance policies.
11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

E. ASSETS DO NOT INCLUDE:

1. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above
2. Interest in Indian Trust lands
3. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.
5. Vehicles especially equipped for the handicapped.
6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

F. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the family has net family assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).

5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
8. All regular pay, special pay and allowances of a member of the Armed Forces. (See paragraph (8) under Income Exclusions).

G. INCOME EXCLUSIONS - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family), who are unable to live alone;
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide;
6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 6.12 (7) under Determining Whose Income to Count).
7. The full amount of student financial assistance paid directly to the student or to the educational institution;

8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
9.
 - a. Amounts received under training programs funded by HUD;
 - b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;
 - d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the governing board. No resident may receive more than one such stipend during the same period of time.
 - e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.
10. Temporary, nonrecurring or sporadic income (including gifts);
11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
13. Adoption assistance payments in excess of \$480 per adopted child;
14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
15. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.

16. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.
17. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
18. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.
 - a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);
 - c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
 - d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
 - e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
 - f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
 - g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
 - h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)
 - i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
 - j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).
 - k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;

- l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)
- m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- n. Payments received under the Maine Indian Claims Settlement Act of 1980.

H. TIMING OF INCOME CERTIFICATIONS - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

- 1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.
- 2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.
- 3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The Grantee is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the Grantee determined that the family qualified as income eligible.

I. INCOME VERIFICATION - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

- 1. **THIRD-PARTY VERIFICATION** - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.
 - a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.
 - b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

2. REVIEW OF DOCUMENTS - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

J. CALCULATION METHODOLOGIES - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).
2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.
3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

K. DETERMINING WHOSE INCOME TO COUNT - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. INCOME OF LIVE-IN AIDES - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);
2. INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and
3. EARNED INCOME OF MINORS - Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.
4. TEMPORARILY ABSENT FAMILY MEMBERS - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the state. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;
5. ADULT STUDENTS LIVING AWAY FROM HOME - If the adult student is counted as a member of the household in determining the Income Limit used for

eligibility of the family, the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and

6. PERMANENTLY ABSENT FAMILY MEMBER - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

10. PROPERTY ELIGIBILITY REQUIREMENTS

- A. The housing must be single-family housing (1-4 family dwelling, condominium or combination of a manufactured home and lot).
- B. The house to be purchased must comply with Environmental Review Requirements, including floodplain activities.
- C. The housing must be modest. The sales price of the HOME-assisted property to be acquired by a homebuyer may not have a value that exceeds the sales price limits for _____ County. The sales price limits are included in Attachment X: Property Value Limits. THDA reserves the right to periodically update these limits and will publish current limits on the THDA website.
- D. Housing that is acquired with HOME funds must meet all applicable State and local housing quality standards and code requirements, and if there are not such standards or code requirements, the housing must meet Section 8 Housing Quality Standards.
- E. All homes built prior to 1978 must pass a visual lead-based paint assessment. There must be no deteriorated paint in the dwelling at the time of the visual lead-based paint assessment (i.e., chipping, cracking, chalking, damaged, separated from the substrate). The property being purchased must receive a passing lead-based visual assessment by a housing professional who has at a minimum completed HUD's Lead Based Paint Visual Assessment Training Course.
 1. Should a home fail a visual assessment, it is the responsibility of a willing seller to bring the home into compliance with all HUD lead-based paint regulations using approved methods, workers, and clearance testing.
 2. If the purchase is to proceed using HOME funds, HOME funds cannot be used for any rehabilitation activities, including those to address lead-based paint.
- F. TIMING – All codes and standards must be met at the time of occupancy.

11. PERMANENT MORTGAGE REQUIREMENTS

- A. The permanent mortgage must have an interest rate that does not exceed the interest rate of a THDA Great Rate loan by more than 2 percentage points. Current THDA mortgage rates can be found at www.tennessee.gov/thda.

- B. The permanent mortgage must have a fixed interest rate fully amortizing over the term of the loan. There can be no prepayment penalty.
- C. Total household debt, including the new housing payment, should not exceed 45% of the gross monthly household income.
- D. Total closing costs and prepaid items cannot exceed 6% of the purchase price of the home.

12. RESERVATION OF FUNDS BY APPLICANTS

- A. _____ will reserve HOME funds for downpayment and closing cost assistance for prospective homebuyers on a first come, first served basis until all funds are depleted.
- B. To reserve HOME funds, an income eligible homebuyer must provide the following:
 - 1. Signed contract for the purchase of a home.
 - 2. Commitment letter from lender providing the first mortgage at an approved rate and term.
- C. The homebuyer will have 120 days to complete the purchase of the home. If the closing does not take place within the 120 days, the reservation will be cancelled.

12. SOFT SECOND MORTGAGE

- A. _____ will provide assistance to an income eligible homebuyer in the form of a soft second mortgage as necessary to qualify the homebuyer household for the permanent loan. The soft second mortgage will be a minimum of \$1,000 and a maximum of \$14,999.
 - 1. The soft second mortgage has an affordability period of five (5) years, and will be forgiven at the end of five (5) years as long as the homebuyer continues to reside in the unit as his/her principal residence.
 - 2. The homebuyer will be required to execute a Grant Note and a Deed of Trust to secure the terms of the HOME affordability period which will be recorded as a lien against the property as part of the closing. The following recapture requirements are specified in the Note and Deed of Trust:
 - a. *Recapture the entire amount.* If the unit does not remain in compliance for the affordability period, i.e., the unit is leased or does not remain the principal residence of the homebuyer, then the *entire amount of direct subsidy must be repaid.*
 - b. *Reduction during affordability period when the unit is sold.*
 _____ may reduce the amount of HOME subsidy

to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

- c. *Shared net proceeds when the unit is sold.* If the net proceeds are not sufficient to recapture the full HOME investment (or the reduced amount under paragraph 1-b above) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital investment made by the owner since purchase, _____ may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be shared according the following formula:

$$\frac{\text{HOME Subsidy}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapture Amount}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Homeowner Repayment}$$

4. The net proceeds may be divided proportionately as set forth in the steps:
- a. *Application of Forgiveness Feature.* Once the net proceeds are determined from the sale of the property, the Grantee may reduce the amount due based on the length of time the homebuyer has occupied the home in relation to the affordability period. Soft second mortgages up to \$14,999 have a five year affordability period and a forgiveness feature of 20% per year.
- b. *Amount subject to recapture.* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- c. After the full HOME investment has been repaid, any excess profits will belong to the homeowner.
- B. Before committing HOME funds, _____ will evaluate a proposal to insure that the homebuyer does not receive any more HOME funds, in combination with other governmental funds, than necessary to provide affordable housing.

13. SUBORDINATION POLICY

- A. Refinancing the first mortgage at any time during the five year affordability period will require repayment of the full HOME investment.

SAMPLE**HOME PROGRAM POLICIES AND PROCEDURES FOR
HOUSING DEVELOPMENT FOR HOMEOWNERSHIP****1. PURPOSE**

This program will make available financial assistance to community housing development organizations (CHDOs) to develop affordable, single family units for sale to low income households. The financial assistance may be used for construction financing to develop new single-family units or to acquire and rehabilitate existing housing units.

2. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

3. PROGRAM RESOURCES

The source of funds for the undertaking of homeownership activities is a grant in the amount of _____ in CHDO set-aside funds which _____ has been awarded by Tennessee Housing Development Agency (THDA), through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

4. APPLICABLE LAWS

- A. The local governing bodies, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).
2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)
3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.
4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
6. Affirmative Marketing, 24 CFR 92.351.
7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.
8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.
9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
11. Drug-Free Workplace, 24 CFR part 24, subpart F.
12. Standard Equal Opportunity Construction Contract Specifications.
13. Certification of Non-segregated Facilities for Contracts Over \$10,000.
14. Title VI of Civil Rights Act of 1964 Provisions.
15. Section 109 of Housing and Community Development Act of 1974 Provisions.
16. Section 3 Compliance Provisions.
17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

5. DRUG-FREE WORKPLACE

- A. The _____ (HOME Grantee) will or will continue to provide a drug-free workplace by:

1. Notifying employees in writing that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition.
 2. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Grantee's policy of maintaining a drug-free workplace;
 - c. Any drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- C. Providing each employee engaged in the performance of the HOME contract a copy of the notification required in paragraph A(1) above;
- D. The written notification required in paragraph A(1) above will advise the employee that as a condition of employment under the HOME grant, the employee will:
1. Abide by the terms of the notification; and
 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- E. Notifying the State in writing, within ten (10) calendar days after receiving notice under D(2) above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- F. Taking one of the following actions, within thirty (30) calendar days of receiving notice under D(2) above, with respect to any employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
 3. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs A, B, C, D, E and F above.

6. CONFLICT OF INTEREST

- A. **INELIGIBLE PERSONS** – Employees and Board Members of the non-profit agency (including CHDOs), or the father, mother, husband, wife, brother, sister or children of any employee or board member of the non-profit organization is ineligible to receive benefits through the HOME program.

7. AFFIRMATIVE MARKETING

- A. _____ is committed to non-discrimination and equal opportunity in housing, and will seek to attract eligible homebuyers from all racial, ethnic and gender groups. In order to inform the public and potential homebuyers of available housing units, _____ will:
1. Make this information known through advertisements and announcements in the local media which include the Equal Opportunity logotype or slogan; and
 2. Contact lenders, community organizations, places of worship, employment centers, fair housing groups or housing counseling agencies to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach (e.g., racial minorities and female head of household).

8. ELIGIBLE HOUSING DEVELOPMENT ACTIVITIES

- A. Eligible activities utilizing HOME CHDO set-aside funds for Homeownership Programs offered by _____ include:
1. *Construction financing* - HOME funds may be utilized as an up front source of financing (without interest costs) to build affordable, new single family units for sale to low income households;
 2. *Acquisition and rehabilitation* - HOME funds may be utilized to acquire existing units and to provide the necessary rehabilitation for resale to a low income household;
- B. *Soft second mortgages* - At the time of permanent financing, the CHDO must leave up to \$14,999 of HOME funds with the unit as a soft second mortgage as necessary to qualify the household for the permanent mortgage.
- C. Before construction or acquisition/rehabilitation can begin under homeownership, there must be a homebuyer pre-approved for a permanent loan identified with a specific property. Speculative construction or acquisition is not permitted.

9. HOMEBUYER ELIGIBILITY REQUIREMENTS

- A. The prospective purchaser must be low income, that is, have a gross annual household income that does not exceed 80% of the area median, adjusted for family size, as defined by the Section 8 income requirements.
- B. The HOME program established the following timing for qualifying HOME-assisted homebuyers as income eligible:
 - 1. In the case of a contract to purchase existing housing, the purchasing household must be low-income at the time of purchase;
 - 2. In the case of a contract to purchase housing to be constructed, the purchasing household must be low-income as the time the construction contract is signed; and
 - 3. In the case of a lease-purchase agreement for existing housing or housing to be constructed, the purchasing household must be low-income at the time the lease-purchase agreement is signed.
- C. The prospective homebuyer must occupy the property to be purchased has his/her principal residence.
- D. All homebuyers must complete a minimum of 8 hours of homeownership education program prior to purchase.
- E. The homebuyer must obtain fee simple title to the property or a 99-year leasehold.

10. INCOME ELIGIBILITY

- A. **ANNUAL INCOME (GROSS INCOME)** - The HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:
 - 1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
 - 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and
 - 3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.

4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
 5. **MONTHLY GROSS INCOME** - Monthly gross income is Annual Gross Income divided by 12 months.
- B. **ASSETS** - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.
1. **MARKET VALUE** - The market value of an asset is simply its dollar value on the open market. For example, a stock's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.
 2. **CASH VALUE** - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:
 - a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or
 - b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.
 - c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.
- C. **INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest or dividends from an asset, the interest or dividends is still counted as income.
1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.
 - a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or
 - b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.

- c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.
- 2. When an Asset Produces Little or No Income:
 - a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.
 - b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:
 - i. actual income from assets, or
 - ii. imputed income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added together. Use the standard passbook rate to determine the annual income from assets for this family.
- 3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.
 - a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).
 - b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.
 - c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

D. ASSETS INCLUDE:

- 1. Amounts in savings accounts and six month average balance for checking accounts.

2. Stocks, bonds, savings certificates, money market funds and other investment accounts.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.
4. The cash value of trusts that are available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Cash value of life insurance policies.
11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

E. ASSETS DO NOT INCLUDE:

1. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above
2. Interest in Indian Trust lands
3. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.
5. Vehicles especially equipped for the handicapped.
6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

F. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the family has net family assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).
5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;

8. All regular pay, special pay and allowances of a member of the Armed Forces. (See paragraph (8) under Income Exclusions).

G. **INCOME EXCLUSIONS** - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family), who are unable to live alone;
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide;
6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 6.12 (7) under Determining Whose Income to Count).
7. The full amount of student financial assistance paid directly to the student or to the educational institution;
8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
9.
 - a. Amounts received under training programs funded by HUD;
 - b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;
 - d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a

member of the governing board. No resident may receive more than one such stipend during the same period of time.

- e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.
- 10. Temporary, nonrecurring or sporadic income (including gifts);
 - 11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
 - 12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
 - 13. Adoption assistance payments in excess of \$480 per adopted child;
 - 14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
 - 15. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
 - 16. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.
 - 17. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
 - 18. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.
 - a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);

- c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
- d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
- e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
- g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)
- i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).
- k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)
- m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- n. Payments received under the Maine Indian Claims Settlement Act of 1980.

H. **TIMING OF INCOME CERTIFICATIONS** - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

- 1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.

2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.
3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The Grantee is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the Grantee determined that the family qualified as income eligible.

I. INCOME VERIFICATION - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. **THIRD-PARTY VERIFICATION** - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.
 - a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.
 - b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.
2. **REVIEW OF DOCUMENTS** - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

J. CALCULATION METHODOLOGIES - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).

2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.
3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

K. **DETERMINING WHOSE INCOME TO COUNT** - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. **INCOME OF LIVE-IN AIDES** - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);
2. **INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN** - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and
3. **EARNED INCOME OF MINORS** - Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.
4. **TEMPORARILY ABSENT FAMILY MEMBERS** - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the state. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;
5. **ADULT STUDENTS LIVING AWAY FROM HOME** - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and
6. **PERMANENTLY ABSENT FAMILY MEMBER** - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

10. PROPERTY ELIGIBILITY REQUIREMENTS

- A. The housing must be single-family housing (1-4 family dwelling, condominium or combination of a manufactured home and lot).

- B. The house to be purchased must comply with Environmental Review Requirements, including floodplain activities.
- C. The housing must be modest. The sales price of the HOME property to be acquired by a homebuyer may not have a value that exceeds the sales price limits for housing in _____ County. The sales price limits are included in Attachment X: Property Value Limits. THDA reserves the right to periodically update these limits and will publish current limits on the THDA website.
- D. The housing must meet certain written standards:
 - 1. REHABILITATION AND NEW CONSTRUCTION – Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME assisted new construction must meet the 2003 International Residential Code for One-and Two-Family Dwellings, and existing units must meet the 2003 International Property Maintenance Code. New construction projects must also meet the 2003 International Energy Conservation Code, published by the International Code Council.
 - 2. LEAD-BASED PAINT – For housing development under an acquisition and rehabilitation and resale type of homeownership program, the CHDO must comply with Subpart J of the Residential Lead-based paint Hazard Reduction Act of 1992 (24 CFR 35) for the rehabilitation of the dwelling unit.
 - 3. Acquisition of pre-1978 housing by a prospective homebuyer is covered by Subpart K of the Residential Lead-based paint Hazard Reduction Act of 1992. The intent of Subpart K is to eliminate as far as practicable lead-based paint hazards in a residential property that receives federal assistance under certain HUD programs for acquisition, leasing, support services, or operation.
 - a. _____ must provide a disclosure form to the prospective buyer noting any known presence of lead-based paint.
 - b. _____ shall provide the lead hazard information pamphlet (LBP-1) to the homebuyer.
 - c. _____ shall conduct the following activities for the dwelling unit and all common areas servicing the dwelling unit and the exterior surfaces of the building in which the dwelling unit is located:
 - i. A visual assessment of all painted surfaces in order to identify deteriorated paint;
 - ii. Paint stabilization of each deteriorated paint surface, including removal of loose paint and application of new paint;
 - iii. The use of safe work practices by a qualified worker; and
 - iv. Clearance testing by a certified lead-paint inspector or risk assessor.

- d. A copy of the Lead Hazard Clearance Report must be provided to the prospective homebuyer within 15 days of completion of the reduction.
- F. All codes and standards must be met at the time of occupancy.

11. PERMANENT MORTGAGE REQUIREMENTS

- A. The permanent mortgage must have an interest rate that does not exceed the interest rate of a THDA Great Rate loan by more than 2 percentage points. Current THDA mortgage rates can be found at www.tennessee.gov/thda.
- B. The permanent mortgage must have a fixed interest rate fully amortizing over the term of the loan. There can be no prepayment penalty.
- C. Total household debt, including the new housing payment, should not exceed 45% of the gross monthly household income.
- D. Total closing costs and prepaid items cannot exceed 6% of the purchase price of the home.

12. SOFT SECOND MORTGAGE

- A. _____ will provide assistance to an income eligible homebuyer in the form of a soft second mortgage as necessary to qualify the homebuyer household for the permanent loan. The soft second mortgage must be a minimum of \$1,000 and up to a maximum of \$14,999.
 - 1. The soft second mortgage has an affordability period of five (5) years, and will be forgiven at the end of five (5) years as long as the homebuyer continues to reside in the unit as his/her principal residence.
 - 2. The homebuyer will be required to execute a Grant Note and a Deed of Trust to secure the terms of the HOME affordability period which will be recorded as a lien against the property as part of the closing. The following recapture requirements are specified in the Note and Deed of Trust:
 - a. *Recapture the entire amount.* If the unit does not remain in compliance for the affordability period, i.e., the unit is leased or does not remain the principal residence of the homebuyer, then the *entire amount of direct subsidy must be repaid.*
 - b. *Reduction during affordability period when the unit is sold.* _____ may reduce the amount of HOME subsidy to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

- c. *Shared net proceeds when the unit is sold.* If the net proceeds are not sufficient to recapture the full HOME investment (or the reduced amount under paragraph 2-b above) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital investment made by the owner since purchase, _____ may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be shared according the following formula:

$$\frac{\text{HOME Subsidy}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{HOME Recapture Amount}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME Subsidy} + \text{Homeowner Investment}} \times \text{Net Proceeds} = \text{Homeowner Repayment}$$

4. The net proceeds may be divided proportionately as set forth in the steps:
- a. *Application of Forgiveness Feature.* Once the net proceeds are determined from the sale of the property, the Grantee may reduce the amount due based on the length of time the homebuyer has occupied the home in relation to the affordability period. Soft second mortgages up to \$14,999 have a five year affordability period and a forgiveness feature of 20% per year.
- b. *Amount subject to recapture.* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
- c. After the full HOME investment has been repaid, any excess profits will belong to the homeowner.

- B. Before committing HOME funds, _____ will evaluate a proposal to insure that the homebuyer does not receive any more HOME funds, in combination with other governmental funds, than necessary to provide affordable housing.

13. SUBORDINATION POLICY

- A. Refinancing the first mortgage at any time during the five year affordability period will require repayment of the full HOME investment.

**HOME PROGRAM
HOMEOWNERSHIP NOTE**

\$ _____, Tennessee
_____, 2006

For value received and hereby acknowledged, _____ ("Maker"), promises to pay to the order of _____ ("Holder") the principal sum of _____ and 00/100 Dollars (\$ _____), in legal tender, with interest thereon from date at zero percent (0%) per annum, without demand or notice. Payment, if and when due, shall be made at the offices of Holder or such other place as Holder may designate.

- A. So long as there is no default with respect to the conditions set forth herein or as set forth in that certain Deed of Trust of even date herewith (the "Deed of Trust") encumbering the property located at _____, Tennessee (the "Property"), the principal sum due and payable under this Note shall be forgiven at the end of the Affordability Period (as defined herein).
- B. Failure to meet the following conditions shall constitute a default hereunder:
1. The funds advanced hereunder are used in accordance with the rules and regulations of the HOME Investment Partnership Program set forth in 24 CFR Part 92, as subsequently amended, the THDA HOME Program Description and Program Manual, and that certain agreement between Holder and the Tennessee Housing Development Agency dated _____, as amended.
 2. The Property is occupied by Maker as Maker's principal residence for five (5) years from the date Maker acquires the Property (the "Affordability Period").
 3. Written notice, given in accordance with Section N. of the Deed of Trust, is provided to Holder at least ten (10) business days prior to any date set for a closing of any sale of the Property.
 4. No lien encumbers the Property without the express written consent of Holder, except for the Deed of Trust.
 5. Neither the Property nor any interest therein may be leased, sold, transferred, or otherwise conveyed.
 6. Maker complies, in all respects, with all terms, provisions or conditions of this Note and the Deed of Trust.
 7. This Note shall not be assigned or assumed.
- C. In the event of a default under this Note or under the Deed of Trust, the full outstanding principal balance of the Note together with any amounts due under the Deed of Trust shall be immediately due and payable without demand or notice; provided, however, if the default is a sale of the Property, the amount due and payable under this Note shall be calculated in accordance with Section E of the Deed of Trust. For purposes of this Note, a foreclosure shall be treated as a sale.
- D. In the event of a default under this Note or under the Deed of Trust, Holder shall, at any time thereafter, be entitled, but not required, to demand payment of all amounts due under this Note as of the date of default. Amounts not paid upon demand shall bear interest at the maximum lawful rate. Should efforts be made to collect this Note, or any part of the indebtedness evidenced hereby, by law or through an attorney, Maker shall pay all reasonable attorneys' fees, all court costs and all costs of collection upon demand. Any failure on the part of Holder to exercise its rights hereunder shall not, in any event, be considered a waiver of any such rights nor shall such failure preclude Holder from exercising such rights at any time. Maker hereby waives all rights of protest, notice of demand, protest and demand, notice of protest, presentment, demand, dishonor and non-payment.

MAKER:

THIS INSTRUMENT PREPARED BY:

The maximum principal indebtedness for
Tennessee recording tax purposes is
\$ _____

HOME PROGRAM
HOMEOWNERSHIP DEED OF TRUST

THIS DEED OF TRUST is made and entered into as of this _____ day of _____, 2004, by
and _____ between _____, whose address is
_____, _____, Tennessee, _____ ("Property
Owner"), _____ and his successors and assigns (collectively,
"Trustees"); and _____, whose address is
_____, _____, Tennessee, _____ ("Grant Recipient").

RECITALS

Grant Recipient is receiving HOME Program funds from the Tennessee Housing Development Agency ("THDA") through the HOME Investment Partnership Program (the "HOME Program") subject to the requirements of 24 C.F.R. Part 92, as amended (the "HOME Regulations"), the THDA HOME Program Description and Program Manual, and that certain working agreement between Grant Recipient and THDA dated _____ (the "Working Agreement", and together with the THDA HOME Program Description and Program Manual and the HOME Regulations, the "HOME Program Requirements"); and

Grant Recipient has agreed to make \$_____ in HOME Program funds (the "HOME Investment") available to enhance the affordability of the single family housing unit located at _____, Tennessee, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property"); and

Property Owner is a person of low or very low income as defined in the HOME Program Requirements; and

Property Owner desires to secure to Grant Recipient the payment of all amounts due under the HOME Program Homeownership Note of even date herewith (the "Note") and the HOME Program Requirements and the due and punctual performance by Property Owner of each and every covenant, condition and agreement applicable to Property Owner and the Property under the HOME Program Requirements, the Note and this Deed of Trust.

NOW THEREFORE; for and in consideration of \$1.00 cash in hand paid and other valuable consideration, the receipt whereof is hereby acknowledged, the Property Owner does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property, together with the housing unit and all buildings, improvements, equipment and fixtures now or hereafter erected thereon; all items of personal property now or hereafter used on or in connection with the Property; all easements and appurtenances benefiting the Property; all unearned hazard insurance premiums with respect to the Property; all rents royalties, revenues, income, issues and profits, which are hereby specifically assigned, transferred and pledged primarily and on a priority with the Property; all existing or future leases with respect to the Property and all amendments, modifications, extensions or renewals thereof; all sums due from third parties with respect to any taking of the Property by or under assertion of power of eminent domain, any damage or destruction to the Property by insured casualty or any other injury or damage to the Property; and all products or proceeds of the foregoing, all of which are hereby pledged and assigned, transferred and set over unto the Trustees, in trust forever, whether now due or hereafter to become due, all of which are incorporated by this reference into the defined term the "Property".

TO HAVE AND TO HOLD the Property with the appurtenances, estate, title, and interest thereto belonging to Trustees in trust forever.

But, this conveyance is made IN TRUST for the following uses and trusts, and for no other purpose, to wit:

A. PROPERTY OWNER'S PERFORMANCE

To secure to Grant Recipient the due and punctual performance of all obligations under the HOME Program Requirements and each and every covenant, condition, agreement and obligation of Property Owner contained in the Note and this Deed of Trust.

B. PAYMENT OF INDEBTEDNESS

To secure to Grant Recipient the payments of all sums arising under this Deed of Trust or the Note or advanced to protect the security of this Deed of Trust, including attorneys' fees and all other fees and expenses incurred in connection with the performance or assertion of Grant Recipient's rights or duties as set forth in this Deed of Trust or the Note.

In the event of a default under the Note or a default hereunder, the full amount due under the Note and under this Deed of Trust shall be due and payable; provided, however, if the default is a sale of the Property, the amount due under the Note shall be calculated in accordance with Section E of this Deed of Trust. For purposes of this Deed of Trust, a foreclosure shall be treated as a sale.

Collectively, the indebtedness under the Note, Deed of Trust and all other indebtedness is referred to herein as the "Secured Indebtedness". The covenants, conditions, obligations and agreements of Property Owner contained in this Deed of Trust and in the Note are referred to herein as the "Secured Covenants".

C. PROPERTY OWNER REPRESENTATIONS, WARRANTIES AND COVENANTS

Property Owner hereby represents, warrants and covenants as follows:

1. Occupancy

Property Owner shall occupy the Property as Property Owner's principal residence for five (5) years from the date upon which Property Owner acquires the Property (the "Affordability Period"). Property Owner shall retain title to the Property during the entire Affordability Period. Any sale, lease or other transfer or conveyance of all or any part of the Property, or any interest therein, during the Affordability Period shall be a default hereunder.

2. Warranty of Title

Property Owner lawfully possesses fee simple title to the Property; has good and valid right and power to convey the Property without the joinder or approval of any other person or entity whatsoever; shall forever warrant and defend the title to the Property against the claims and demands of all persons whomsoever; and shall execute such further assurances as required.

3. Payment and Performance

Property Owner shall pay, without demand or notice, all Secured Indebtedness and shall fully perform, without demand or notice, all Secured Covenants, when such performance is due, time being of the essence for both payment and performance.

4. Payment of Taxes and Utility Charges

Property Owner shall pay when due, all taxes and assessments both general and special, ground rents, fines, penalties, impositions, levies, dues and charges of every type or nature levied upon or assessed against the Property, including any personal property included thereon, or upon the Trustees or Grant Recipient's interest therein.

5. Payment and Discharge of Liens

Property Owner shall pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof and shall not, at any time, create or allow to exist any lien on the Property or any part thereof of whatsoever kind or nature, other than this Deed of Trust, except the following:

- (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien; and
- (b) liens for taxes and assessments which are being contested by the Property Owner in good faith and by appropriate legal proceedings and for which Property Owner has posted such security for the payment of such contested claims as is requested by Grant Recipient.

6. Restrictions on Property

The Property Owner will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the Property on the basis of sex, race, color, religion or creed.

The Property Owner shall file for record any instrument imposing restrictions on the Property as required by the HOME Program Requirements.

7. Reimbursement of Grant Recipient's or Trustees' Fees and Expenses

If the Trustees or Grant Recipient are made parties to or intervene in any action or proceeding affecting the Property or the title thereto or the interest of the Trustees or Grant Recipient under this Deed of Trust, or if Grant Recipient or the Trustees employ an attorney to foreclose this Deed of Trust, or authorizes the Trustees to conduct Trustees' sale proceedings hereunder, the Trustees and Grant Recipient shall be reimbursed by the Property Owner, immediately and without demand, for all reasonable costs, charges, fees and expenses, including attorney's fees and court costs, incurred by them or either of them in any such case whether or not suit be commenced, and the same shall be secured hereby as a further charge and lien upon the Property.

8. Insurance/Good Repair

Property Owner shall keep the housing unit on the Property insured by some reliable fire and/or hazard insurance company or companies for the maximum insurable amount against fire and all customary hazards, from the date of the issuance of a Certificate of Occupancy until the debt secured by this Deed of Trust is fully paid or forgiven in accordance with the Note or this Deed of Trust and to have the loss made payable on the policy to Grant Recipient or the Trustee for the benefit of the Property Owner and Grant Recipient. Property Owner shall provide Grant Recipient or the Trustee with proof of insurance coverage from the insurance company each time coverage is obtained or renewed and shall immediately notify Grant Recipient or the Trustee of any cancellations. Property Owner shall keep the housing unit and improvements on the Property in good repair and preservation and shall pay all taxes and assessments when due. If Property Owner fails to keep the housing unit and improvements on the Property in good repair and preservation or fails to pay all taxes and assessments when due, then the Trustee or Grant Recipient may do either, including, but not limited to, obtaining fire and/or hazard insurance, making necessary repairs, paying all taxes and assessments and may charge and treat any amount so expended as part of the debt secured by this Deed of Trust.

D. DELAY

No delay by Grant Recipient or the Trustees in exercising any right or remedy hereunder or otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.

E. RECAPTURE OF HOME INVESTMENT UPON SALE

1. Property Owner agrees that as a condition of receiving the benefit of the HOME Investment, any sale of the Property, in whole or in part, or the sale of any interest therein, at any time prior to the end of the Affordability Period shall be a default under the Note and under this Deed of Trust (a "Sale Default") and all amounts received as a result of any such sale shall be applied in accordance with this Section E. For purposes of this Section E, a foreclosure shall be treated as a Sale Default.
2. In the event of a Sale Default, the principal balance due under the Note shall be calculated as follows:
 - (a) The original principal balance of the Note shall be reduced by twenty percent (20%) for each year in which the conditions set forth in the Note and the conditions set forth herein have been met (the "Outstanding HOME Balance").
 - (b) For purposes of this Section E.2, a year shall be based on the month and day upon which the Note was executed.
3. In the event of a Sale Default, the Outstanding HOME Balance shall be immediately due and payable as follows:
 - (a) If net proceeds from a Sale Default are less than the Outstanding HOME Balance plus the homeowner investment, if any, then the net proceeds shall be split between Property Owner and Grant Recipient in accordance with 24 C.F.R. Section 92.254 (a)(5)(ii)(A)(3). The share of net proceeds to be paid to Property Owner, if any, and the share of net proceeds to be paid to Grant Recipient in full satisfaction of the Note, if any, shall be calculated in accordance with the HOME Program Requirements at 24 C.F.R. Section 92.254 (a)(5)(ii)(A)(3).
 - (b) If net proceeds from a Sale Default exceed the Outstanding HOME Balance plus the homeowner investment, if any, net proceeds equal to the Outstanding HOME Balance

shall be paid to Grant Recipient in full satisfaction of the Note and all remaining net proceeds shall be paid Property Owner.

4. For purposes of this Section E, the following definitions shall apply:

- (a) "net proceeds" shall mean the sales price for the Property less normal closing costs customarily paid by a seller.
- (b) "homeowner investment" means an amount equal to the amount of capital improvements made, if any, with Property Owner funds, as evidenced by receipts or cancelled checks detailing the capital improvements made. Capital improvements shall not include items of maintenance, deferred maintenance or cosmetic improvements.

F. RECAPTURE OF HOME INVESTMENT UPON LEASE OR OTHER TRANSFER OR CONVEYANCE

Property Owner agrees that, as a condition of receiving the benefit of the HOME Investment, any transfer or conveyance, other than a sale or foreclosure to which Section E above applies, or any lease of the Property, in whole or in part, at any time prior to the end of the Affordability Period shall be a default under the Note and under this Deed of Trust and all amounts due under the Note and this Deed of Trust shall be due and payable in full, without the reduction described in Section E above.

G. EVENTS OF DEFAULT AND REMEDIES

Now, if the Property Owner shall keep and perform each of the covenants, conditions, obligations and agreements of the Property Owner contained in the Note and this Deed of Trust, then, this trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to keep and perform any of the covenants, conditions, obligations and agreements in the Note and this Deed of Trust, and such defaults are not cured within thirty (30) days from written notice to Property Owner specifying such default, then, and in any of such events, this trust conveyance shall remain in full force and effect, and at the option of the Grant Recipient, all amounts advanced under the Note or hereunder shall become due and payable at once, without notice, and the Trustee, acting in person or through an agent or agents duly appointed by him for this purpose, is hereby authorized and empowered, upon giving twenty (20) days notice by three (3) publications in any newspaper, daily or weekly, published in the county in which the Property is located, to sell the Property at the front door of the Courthouse in said county (or at such other place at said Courthouse as is usually and customarily used for the conduct of foreclosure sales) to the highest bidder for cash, at public outcry, free from the equity of redemption, any and all statutory rights of redemption including, without limitation, those provided in T.C.A. Section 66-8-101, as amended, or as may be hereinafter enacted, homestead, dower, courtesy, any elective share, and all other exemptions or marital rights of every kind, which are hereby expressly waived; and the Trustee is authorized and empowered to execute and deliver a deed to the purchaser. The sale may be adjourned from day to day by the Trustee or his agent or successor, by announcement at the Courthouse on the date the sale is originally set, or any adjournment thereof, and may be reset at a later date without any additional publication. The creditor may bid at any sale under this trust conveyance. Property Owner agrees that the Trustee may, at any time after default in the payment of any part of the indebtedness, enter and take possession of the Property, and shall only account for the net rents actually received by him. Property Owner further agrees that, in the event the Trustee fails, before selling the Property as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the Property.

Grant Recipient may, at any time and from time to time, without assigning cause, in Grant Recipient's sole and absolute discretion, remove the Trustee herein named and appoint a successor to execute this trust, by an instrument in writing duly executed by Grant Recipient and filed for record in the county in which the Property is located and, upon the execution and filing of such instrument, the title herein conveyed to the Trustee shall be vested in the successor so appointed.

In the event of a sale of the Property under and by virtue of this trust, the Property Owner, and all persons holding under Property Owner, shall be and become the tenants at will of the purchaser from and after the execution and delivery of a deed to the purchaser.

Upon any sale under this Deed of Trust, the proceeds will be applied by the Trustee:

First: To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust, or in connection therewith as above provided.

Second: To repay all amounts advanced pursuant to the Note or hereunder.

Third: To pay the remainder, if any, to Grant Recipient pursuant to HOME Program Requirements.

H. INCORPORATION

The provisions of the Note are incorporated herein by reference as fully and to the same extent as though set out herein verbatim.

I. REMEDIES CUMULATIVE

No remedy herein contained or conferred upon Grant Recipient or the Trustees is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to Grant Recipient or the Trustees, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

J. SUCCESSORS, ASSIGNS, GENDER, NUMBER

The covenants and agreements herein contained shall bind, and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any genders shall be applicable to all genders.

K. HEADINGS

The headings herein are inserted only for convenience of reference and in no way define, limit or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

L. EXPIRATION

This Deed of Trust shall be of no further force and effect upon the expiration of the Affordability Period described herein.

M. SEVERABILITY

The invalidity of any clause, part or provision of this Deed of Trust shall not affect the validity of the remaining portions hereof.

N. NOTICES

Unless otherwise set forth herein, all notices given pursuant to the Note or this Deed of Trust shall be deemed given when mailed. All notices hereunder shall be sent by certified or registered mail, postage prepaid, return receipt requested, to the parties at the addresses set forth above or to such different address or addresses as either party may notify the other from time to time in writing.

O. AMENDMENT

All actions, as deemed necessary by Grant Recipient, shall be taken to amend this Deed of Trust to comply with the HOME Program Requirements, and any and all applicable rules, regulations, policies, procedures, and rulings or other official statements pertaining to the HOME Program.

P. COMPLIANCE WITH APPLICABLE LAWS

The Property shall remain in compliance with all HOME Program Requirements and all other applicable federal, state or local laws, statutes, ordinances, codes, rules or regulations, as the same may be amended from time to time, for the entire Affordability Period.

Q. GOVERNING LAW

This Deed of Trust shall be governed by the laws of the State of Tennessee and, where applicable, laws of the United States of America.

R. ASSIGNMENT

Neither this Deed of Trust nor any obligations hereunder may be assigned without the express written consent of Grant Recipient, which consent may be withheld at Grant Recipient's sole discretion.

S. ASSUMPTION

This Deed of Trust and the obligations it secures are not assumable.

T. DEFINITIONS

All terms not otherwise defined herein shall have the meaning ascribed to them in the HOME Program Requirements.

IN WITNESS WHEREOF, Property Owner and Grant Recipient, through a duly authorized representative, have executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

GRANT RECIPIENT:

BY: _____

Name: _____

Title: _____

STATE OF TENNESSEE)
COUNTY OF _____)

Before me, _____ a Notary Public of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he is the within named bargainor and that (s)he executed the foregoing instrument for the purpose therein.

Witness my hand and seal, at office, this _____ day of _____, 20__.

—

Notary Public

My Commission Expires: _____

STATE OF TENNESSEE)
COUNTY OF _____)

Before me, _____ a Notary Public of the state and county mentioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he is the duly authorized representative of the within named bargainor and that (s)he executed the foregoing instrument on behalf of the within named bargainor for the purpose therein.

Witness my hand and seal, at office, this _____ day of _____, 20__.

—

Notary Public

My Commission Expires: _____

EXHIBIT A

PROPERTY DESCRIPTION

CHAPTER TEN

HOMEOWNER REHABILITATION

1. OVERVIEW

- 1.1 The following chapter provides you with guidance in the operation of your HOME housing rehabilitation program. Housing rehabilitation programs are staff intensive, and in an effort to reduce your need to develop policies and forms for your individual program, a series of guides and sample forms have been developed to help you implement your program.

2. TYPICAL STEPS IN HOUSING REHABILITATION PROGRAM

- 2.1 **POLICIES AND PROCEDURES** - The Grantee develops Policies and Procedures and submits them to THDA for comment and approval. Please note that changes have been made in the sample Policy and Procedures (HO-1).
1. Upon approval by THDA, the Grantee's appropriate legislative body adopts the Policies and Procedures.
 2. The Grantee must also adopt a Drug Free Workplace Policy that contains the State notification language as required by the Working Agreement.
- 2.2 **INFORM THE PUBLIC** – The Grantee informs the public and/or targeted members of the community about the program through public notices and advertisements, including a notice for a public meeting.
- 2.3 **PUBLIC MEETING** - The Grantee holds a public meeting to explain the Policies and Procedures and operation of the program.
- 2.4 **APPLICATIONS** - Applications are taken from property owners, income and ownership is verified. A copy of the pamphlet of Fair Housing laws (EO-8) is distributed to each applicant. Eligible applicants are ranked based on criteria contained within the adopted Policies and Procedures.
- 2.5 **PRIORITY LIST** - The Grantee develops a Priority List, based on individual need and dwelling condition, which lists the order in which houses will be rehabilitated. As inspections and work write-ups are labor intensive, the priority list should be done before inspecting the houses and preparing the work write-up. If the condition of the dwelling is a scoring factor, a "windshield" type inspection could be used.
- 2.6 **ENVIRONMENTAL REVIEW** - The Grantee completes the environmental review and submits it to THDA. (See Chapter 3, Environmental Review).
- 2.7 **WORK WRITE-UPS** - The Grantee along with the homeowner selects a housing inspector who performs an initial codes inspection of the home and prepares a work

write-up. The property owner initials each page and signs the last page indicating he/she understands and accepts the scope of the work.

1. New Grantees are required to submit the first three write-ups to THDA so the work write-ups can be checked for completeness prior to soliciting bids.
 2. Where rehabilitation is unfeasible, a Determination for Reconstruction (HO-7) and supporting documentation, including pictures, work write-up with line item costs, estimated cost of rehabilitation and estimated cost of reconstruction must be submitted to THDA for written approval prior bidding.
 3. If there are situations where it is felt that the homeowner and/or the community would be better served by exceeding the \$25,000.00 cap on a rehabilitation, a Request to Exceed the \$25,000 Cap (HO-8) along with supporting documentation, including pictures, work write-up with line item costs, estimated cost of rehabilitation, and estimated cost of reconstruction must be submitted to THDA for written approval prior to bidding.
 4. If there are situations where it is felt that the homeowner and/or the community would be better served by exceeding the \$25,000.00 cap on a rehabilitation and the unit has lead, a Request to Perform Abatement (HO-9) along with supporting documentation, including pictures, work write-up with line item costs, estimated cost of rehabilitation along with lead abatement costs, and estimated cost of reconstruction must be submitted to THDA for written approval prior to bidding.
- 2.8 **LEAD-BASED PAINT** - Provide a copy of the work write-up to the risk assessor prior to having a risk assessment conducted so that the risk assessor will know what areas are to be disturbed. This risk assessment will identify any lead-based paint hazards that are present or that will be created as a result of rehabilitation work. The risk assessment should provide acceptable procedures for both interim controls and abatement. Only those procedures identified in the risk assessment may be used for lead hazard reduction activities. Conduct the risk assessment to identify any lead-based paint hazards. *(See Chapter 8, Lead-based Paint, for a more detailed explanation of the requirements for lead-based paint hazard reduction activities for pre-1978 housing.)*
- 2.9 **UPDATE WORK WRITE-UP** - Incorporate recommended procedures for lead hazard reduction into the work write-up.
- 2.10 **RELOCATION** – Determine if temporary relocation is necessary. (See Chapter 4, Relocation and Displacement for more details if applicable.)
- 2.11 **COST ESTIMATE** - The Grantee prepares a confidential cost estimate with line item costs.
- 2.12 **PRE-BID CONFERENCE** - The Grantee holds a pre-bid conference and goes over Policies and Procedures, code inspections and method of payment. The rehabilitation inspector should review contract items with the bidders at the home.
1. Lead-based paint activities should be included in the entire scope of the project, but should be written up and bid separately from rehabilitation work.

- 2.13 **BIDS** - Bids are received by the Grantee and the contract is generally awarded to the low bidder.
- 2.14 **PRE-CONSTRUCTION CONFERENCE** - A pre-construction conference is held with the owner and contractor. The rehabilitation contract is executed and a Notice to Proceed is signed. Grievance procedures for both homeowner and contractor are reviewed.
1. A copy of the signed contract including the work write-up with line item costs from the contractor, the project set up form (FM-3), the compliance with lead-based paint regulations form (LBP-5), and a copy of the risk assessment report or notice of presumption are sent to THDA at this time.
- 2.15 **CONSTRUCTION PHASE** – The Grantee makes periodic and documented inspections of the work in progress.
1. When the work is 60% completed, an interim draw for 50% of the contract may be requested. The project set-up form (FM-3) should already have been submitted to THDA to set up funds in the Information and Disbursement System (IDIS).
 2. The request for payment (FM-4) must include a certification (FM-5) that 60% of the work has been completed.
- 2.16 **FINAL INSPECTION** - A final inspection is conducted by the Grantee and/or inspector with both the owner and contractor in attendance. A final punch list is made, if necessary.
- 2.17 **PROJECT COMPLETION** –
1. A housing inspection is conducted by the owner and the Grantee and/or inspector to make certain all punch list items have been addressed. Where applicable, clearance testing for lead-based paint hazard reduction activities is required as part of the final inspection after all work is completed, including items on the punch list. A Certification of Completion and Final Inspection (FM-7) is completed and signed.
 2. The contractor's Final Invoice, Release of Liens and Warranty (HO-19) is submitted to the Grantee.
 3. A Certification of Completion and Final Inspection (FM-7), the Project Completion Report (FM-8), and a copy of the recorded Deed of Trust is forwarded to THDA with the final pay request for the project.

If applicable, a copy of the lead clearance form (LBP-7) must be also be submitted with the final pay request, along with a copy of the clearance report for projects that included lead hazard reduction activities. Clearance testing for lead-based paint hazards is required as part of the final inspection after all work is completed, including items on the punch list. Documentation of clearance is required with the final pay request (LBP-7).
 4. The contractor is paid.

- 2.18 **PROGRAM CONTINUATION** - The program continues until all houses are completed, or funds are exhausted.

3. DEVELOPING PROGRAM POLICIES AND PROCEDURES

- 3.1 **INTRODUCTION** - Your jurisdiction/organization must formally adopt a set of Policies and Procedures for the operation of the HOME program. These will serve as the guidelines for the day to day operation of the program. It is important for citizens, elected officials and program administrators to be involved in the establishment of the Policies and Procedures. If the whole community is aware of the goals of the program, its limitations and the way the program will be handled on a day to day basis, many potential problems and misunderstandings can be eliminated.
1. This manual includes a "Sample Set of Policies and Procedures" (HO-1). You may wish to use these as a guide, adopt them in whole or in part. You must address in some fashion all of the essential topics.
 2. *Your policies and procedures must be approved by THDA prior to being adopted by the Grantee's governing board.*
- 3.2 **PURPOSE** - Describe the goals of the program and what activities will be undertaken to meet those goals.
- 3.3 **AUTHORITY** - Indicate what legal authority - Federal, State and local - your program is operating under.
- 3.4 **PROGRAM RESOURCES** - Specify the funds available for the program, their source, and how long they will be available.
- 3.5 **APPLICABLE LAWS** - The local governing body, contractors, subcontractors, vendors and potential applicants for assistance are required to abide by a number of Federal and State laws. THDA will assist you in ensuring compliance and will monitor your program to make sure that you are in compliance. The Grantee must follow the appropriate laws and document their efforts. Failure to do so can have serious repercussions for the program. The following is a list of the applicable laws:
1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).
 2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353).
 3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.
 4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
 5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
 6. Affirmative Marketing, 24 CFR 92.351.

7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.
8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.
9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
11. Drug-Free Workplace, 24 CFR part 24, subpart F.
12. Standard Equal Opportunity Construction Contract Specifications.
13. Certification of Non-segregated Facilities for Contracts Over \$10,000.
14. Title VI of Civil Rights Act of 1964 Provisions.
15. Section 109 of Housing and Community Development Act of 1974 Provisions.
16. Section 3 Compliance Provisions.
17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

4. TARGETING REHABILITATION ASSISTANCE

4.1 ELIGIBILITY REQUIREMENTS - The Grantee must very carefully determine its eligibility requirements, announce them publicly, and then take applications for assistance. The whole process must be fair, impartial and open to public scrutiny. To do this, the Grantee should establish an effective rating system, based on need, which determines the order in which dwellings will be rehabilitated. Minimum eligibility requirements are as follows:

4.2 HOMEOWNER REQUIREMENTS

1. **INCOME** - In order to receive HOME funds, the homeowner must be a low or very income homeowner; that is, the homeowner's annual income (gross income) cannot exceed 80% of the area's median income.
 - a. The HOME program uses the Section 8 definition of annual (gross) income. This definition contains a number of inclusions (wages and salaries, interest and dividends, alimony, and child support) and exclusions (food stamps, medical reimbursements, etc.). See *Chapter One, Section 6. - Income Determinations* for the complete listing of this criteria.

- b. NOTE - The passbook value of the equity in a home is not included as income. However, the value of other assets must be determined to see if imputed interest is considered as income.
 - c. Maximum HUD incomes for Tennessee are provided in **Attachment I: 2006 Income Limits for Low and Very Low Income Families** at the end of *Chapter One, General Requirements*.
- 2. OWNERSHIP - A homeowner must have been a resident of the property for a period of at least one (1) year and must also occupy the property as his or her principal residence. A family or individual owns the property if they:
 - a. Have fee simple title to the property; or
 - b. Have a 99-year leasehold; and
 - c. Do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

4.3 PROPERTY REQUIREMENTS

- 1. LOCATION - The property must be within the area designated in the application.
- 2. PROPERTY TYPE - HOME Grantees must also decide the types of properties to be assisted. HOME guidelines define eligible properties as:
 - a. A one to four family unit;
 - b. A condominium unit; or
 - c. A manufactured housing unit (e.g., mobile home).
 - d. It is important to note that single-family, owner-occupied properties containing additional rental units are subject to the HOME rental requirements, if the rental units receive investments of HOME funds.
- 3. PROPERTY CONDITION - Units assisted with HOME funds must require at least \$1,000 of rehabilitation work to bring the unit into compliance with all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.
 - a. In the absence of local codes, new construction of multi-family apartments of 3 or more units must meet the 2003 International Building Code;
 - b. New construction or reconstruction of single-family units or duplexes must meet the 2003 International Residential Code for One- and Two-Family Dwellings as well as the 2003 International Energy Conservation Code; and
 - c. Rehabilitation of rental units or existing homeowner units must meet the 2003 International Property Maintenance Code.

6. APPROACHES TO FINANCIAL ASSISTANCE

- 6.1 **FORGIVABLE GRANTS** - Financial assistance for homeowner rehabilitation under the THDA HOME program must be provided as forgivable grants. THDA requires that these grants be repaid, in whole or in part, if the property is sold during the applicable compliance period of five or fifteen years. Starting with the 2005 grant year, the heirs may occupy the unit, rent it or leave it sit empty, without triggering the repayment clause. However, if the heirs sell the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, the grant must be repaid to THDA, less any forgivable portion. (This policy may be applied retroactively to prior HOME projects as needed.) In general, financial assistance should be structured to benefit the homeowner and avoid real estate speculation. See *Chapter One, Section 4 - Forms of Assistance*.
- 6.2. **AMOUNT OF ASSISTANCE** - The Grantee must determine the amount of assistance for which a homeowner is eligible. This should be the amount necessary to bring the dwelling up to the appropriate code requirements.

7. ELIGIBLE COSTS

- 7.1 **REHABILITATION COSTS** - In addition to the costs listed in *Chapter Two, Section 2 - Eligible Costs*, the following categories of costs are allowable under the program
1. **LOCAL REHABILITATION STANDARDS** - The Grantee must emphasize to potential applicants that the funds are to be used to repair housing deficiencies that are revealed by the code inspection. The homeowner cannot pick and choose what they want done. At a minimum, this would be the cost to complete all work necessary to correct any deficiencies in the property under the local Rehabilitation Standards as discussed in Section 4.3 above. This includes completing additions to the property, if necessary to meet the Rehabilitation Standards or to meet minimum living space requirements for current or planned occupants.
 2. **REMOVING INCIPIENT DEFICIENCIES** - An incipient violation exists if, at the time of inspection, an element of the dwelling which due to age, deterioration, wear or normal usage will deteriorate within two years and thus will become a code violation, (i.e., the replacement of asphalt roof shingles which are presently nineteen years old with a life expectancy of twenty years). The cost to rehabilitate the unit to correct or remove incipient problems or defects which, if not repaired, would reasonably be expected to deteriorate into deficiencies of the Rehabilitation Standards within two years is allowable. Grantees should encourage beneficiaries to include such items. However, beneficiaries should not be forced to make such improvements.
 3. **OTHER** - Costs associated with the following are also allowed:

- a. Rehabilitating the property so that it conforms to environmental requirements
 - b. Testing and interim controls or standard treatments of lead-based paint hazards for the property
 - c. Providing improvements for the physically handicapped to make the dwelling more convenient and accessible
 - d. Remedying structural problems caused by termite infestation
 - e. Demolition costs if they are part of the rehabilitation project
 - f. Surveys to establish property lines
4. GENERAL PROPERTY IMPROVEMENTS (GPI) - GPI's are improvements other than the required improvements listed above or incipient violations, but which are nonetheless necessary to put the property in a good and readily maintainable condition. GPI's are eligible as long as all required improvements are complete and the GPI's are reasonable and customary for the area and are not considered luxurious. The Grantee must decide on an acceptable level of GPI's. Typically, communities have established a maximum cost for GPI's equal to 20% to 40% of all other items. Examples of eligible GPI's include, but are not limited to, the following:
- a. Work which will result in reduced maintenance and/or will extend the useful life of a part of the property.
 - b. Work to eliminate inefficient design, such as moving or removing walls
 - c. Security lighting
 - d. Remodeling a kitchen, bathroom or currently underutilized space to improve efficiency, to modernize and/or to make aesthetically pleasing. This is usually limited to stove, refrigerator, sink and cabinets, and only if the existing equipment is non-existent, unsafe or unsanitary.

7.2 **SOFT COSTS** - See *Chapter Two, Section 2 - Eligible Costs*.

8. INELIGIBLE COSTS

- 8.1 Ineligible costs include those items that are not "reasonable and customary" and are considered luxurious in nature. Typical examples may include skylights, concrete driveways, hot tubs, etc.
- 8.2 The Grantee should keep in mind that the basic goal of the program is to bring up to standard the dwellings in need of repair. Programs which keep to the basics derive the maximum of benefit from the funds available.

9. REHABILITATION STANDARDS AND SPECIFICATIONS

- 9.1 **WRITTEN STANDARDS** - Written rehabilitation standards establish the principles for the rehabilitation work that will bring substandard housing into compliance. The Grantee must employ a set of written rehabilitation standards for all housing interior, exterior, and systems repairs.
1. The written rehabilitation standards must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances.
 2. In the absence of local codes, HOME-assisted new construction or reconstruction of single family units must meet the 2003 International Residential Code for One and Two Family Dwellings and the 2003 International Energy Conservation Code. HOME-assisted rehabilitation of rental units or existing homeowner units must meet the 2003 International Property Maintenance Code.

10. REHABILITATION PROGRAM PROCEDURES

- 10.1 **PREPARATION** - The rehabilitation of a dwelling under the HOME Program is a process requiring the close cooperation of the Grantee, the Homeowner, and the Contractor. There are typical inconveniences of rehabilitation work that should be explained to homeowners right away to avoid unpleasant surprises during the course of the job, such as:
1. The family must expect to be inconvenienced by the work in progress and by the presence of the workers.
 2. Renovation projects may take longer than planned.
 3. The remodeling business is by nature inefficient and not tightly organized, so there will be days when nobody shows up or when a subcontractor will spend only an hour or two on the job. The family should be assured that this is normal.
 4. If there are any problems with the work during the project, the homeowner should not interfere directly, but must call the rehabilitation specialist to work out the problem.
 5. Rehabilitation is at best an imprecise art, and will seldom produce a perfect job.
 6. The program is based on correcting those deficiencies that are revealed by the housing code inspection. The homeowner also needs to understand that the role of the contractor and that the program entails a written contract (HO-11).
- 10.2 **PRE-APPLICATION AND PROGRAM PUBLICITY PHASE** - - The success of a housing rehabilitation program is contingent upon the acceptance of the program by the intended recipients of assistance. This critical component of the rehabilitation program

can be accomplished by a concerted effort to meet with the homeowners and carefully explain the program.

1. **PUBLIC MEETING** - A public meeting is very important. The program guidelines and procedures should be clearly explained. The criteria for homeowner eligibility and the method of ranking should be explained in detail. The role and responsibilities of the Contractor, the Homeowner and the Grantee should be discussed. The grievance procedure should be explained. Questions should be dealt with in an honest, open and straight forward fashion. A list of those attending should be kept in the project file.

10.3 **APPLICATION PHASE** - The first step in the application phase is the taking of applications from homeowners. The program publicity efforts previously outlined will have resulted in inquiries from some area homeowners.

1. **APPLICATION PROCESSING** - Upon initial contact by the applicant, the Grantee will briefly outline the program and determine basic eligibility through identification of the applicant's residence and estimated income.
 - a. If the applicant appears eligible following this informal screening, an interview at the Grantee office or at the home will be scheduled. Applicants will be advised to bring:
 1. Proof of income for all members of the household.
 - i. Most recent pay stubs for all members of the household and last years tax return;
 - ii. If self-employed, last years tax return and a current financial statement.
 2. Proof of ownership of the property to be rehabilitated.
 3. Property Insurance Policy.
 4. Most recent real estate tax receipts for the property to be rehabilitated.
 - b. The Grantee will review the program in detail with the applicant and review the application form (HO-3). The Grantee will secure verification of income, property ownership and other requirements of financial assistance.
2. **INITIAL INSPECTION** - The initial inspection is a critical component of the rehabilitation process as it establishes eligibility, identifies work to be undertaken on the home, and becomes the basis for evaluating the acceptability of bids.
 - a. The Property Inspector will request the property owner to accompany him on his inspection and will solicit information from the owner on deficiencies in the home. The inspector will complete an Initial Housing Inspection Report which will identify all needed improvements to the property, including incipient violations.

- b. If applicable, lead-based paint testing/risk assessment by a certified lead-based paint inspector/risk assessor is conducted on the unit.
- c. The results of the inspection and the lead testing/risk assessment is discussed with the property owner and questions answered. The completed inspection report and lead testing/risk assessment is reviewed by the Grantee and the feasibility of rehabilitation determined. (See Chapter 8, Lead-Based Paint to ensure all lead-based paint hazard reduction requirements are being met.)
- d. If, in the opinion of the Grantee and based on advice from the Property Inspector, all major code violations cannot be corrected within the maximum funding the grant allowed, rehabilitation assistance may be denied or reconstruction recommended.
 - 1. Owners whose property is not suitable for rehabilitation should be notified in writing, indicating the reasons, and a copy placed in the file.
 - 2. When reconstruction is recommended, a completed HO-7, along with required supporting documentation and photographs must be submitted to THDA for review. If THDA concurs with the determination, written permission to proceed will be provided.
 - 3. If the Grantee administrator/inspector feels that the community would be better served by saving certain housing stock, requests to exceed the \$25,000 cap on rehabilitation or perform abatement, (HO-8 or HO-9) must be submitted to THDA along with required supporting documentation and photographs. THDA will review the request and if THDA concurs with the determination, written permission to proceed will be provided.
- e. REPLACEMENT HOME GUIDELINES. The intent of a reconstruction activity is to provide assistance to homeowners who might not otherwise be helped due to the prohibitive cost of rehabilitating their existing home. A replacement home, if deemed the most cost-effective solution to the housing deficiencies, shall be prescribed by the grantee.
 - 1. Rehabilitation spending beyond reasonable limits on an existing home is not authorized if a replacement home is refused by the homeowner.
 - 2. A replacement home does not necessarily have to meet the same requirements as the existing home in terms of square footage, number of bedrooms/bathrooms or other design/amenity considerations.
 - 3. The replacement home must provide all permanent residents of the home with safe, decent and sanitary housing within the terms of local codes and/or the 2003 International Residential Code for One- and Two-Family Dwellings and the 2003 International Energy Conservation Code.

3. **WORK WRITE-UP AND COST ESTIMATE** - Properties found suitable for rehabilitation by the Property Inspector and Grantee are now ready to have work write-ups and cost estimates prepared (HO-6).

- a. The work write-up is the detailed description of the housing rehabilitation work and the lead-based paint hazard reduction required. The write-up should list the lead-based paint hazard reduction activities separately from the rehabilitation work. Write-ups serve as the construction specifications and should be specific, clear and complete. A great deal of confusion and many problems between the homeowner and contractor are caused by vague, poorly written write-ups.
- b. After the Property Inspector completes the work write-up, then he or she should estimate the cost for each item in the work write-up. The cost estimate aids the Grantee in evaluating bid prices.
 1. The Grantee will review the write-up/cost estimate with the Owner so that the Owner understands all of the repairs to be made and has an idea of the cost.
 2. The Owner must then sign a statement accepting the repairs listed in the write-up and initial each page of the document. The acceptance of the repairs to be completed at the pre-bid stage will eliminate misunderstandings at a later date when work begins.
- c. A special effort should be made to explain to homeowners that the program is intended to solve housing code violations and reduce lead-based paint hazards first and then the incipient code violations. The Grantee may wish to add statements to the write-up to clarify certain items. For example, if the floors of the house cannot be made level but can be made stable, the write-up should include this so that the homeowner will not expect level floors.
- d. Although temporary relocation assistance may be provided to households who are voluntarily displaced during rehabilitation, the Grantee must determine if the lead-hazard reduction work will require relocation for the safety of the household. If it is determined that temporary relocation for occupant safety is required, the Grantee *must* provide this assistance. The cost of relocation is a project soft cost and subject to the subsidy levels. *See Chapter 8, Section 6 - Occupant Protection and Chapter 4, Section 6 - Optional Relocation Assistance..*

10.4 **BID PHASE** - The next step in the rehabilitation process is to initiate the bid phase. A bid package will be assembled consisting of the work write-up and related material. A copy of the written Rehabilitation Specifications and Design Standards must be made available to all contractors. The Grantee will notify contractors on the contractors list of the property to be rehabilitated, the date bids must be received, and the location and time bid packages can be picked up. The Grantee must advertise publicly for contractors.

1. **BID SOLICITATION** - Bid Solicitation must be a free, open competitive process. Every effort must be made to solicit minority and female businesses. The

Grantee should not structure its procedures in order to keep business "in town". Absolute fairness must prevail in every aspect of the program, and any questions concerning conflict, or apparent conflict of interest should be discussed with THDA.

2. **BID SELECTION - A minimum of three (3) bids must be received.** Bids will be opened on the date and time previously established. A bid tabulation form will be prepared (HO-10). The owner will select the lowest qualified bid. **THDA required that the project be re-bid if there are not at least three (3) valid bids in response to the invitation for bids. A no-bid is not considered a valid bid.**
 - a. If the project is re-bid and 3 valid bids still are not obtained, contact THDA for an exception to the 3 bid requirement. THDA may consider your project as a sole source procurement and/or allow you to award the contract with less than 3 bidders. **Written permission must be obtained from THDA before you may award a contract with less than three bids.**
 - b. Should the homeowner decide to select a bid other than the lowest qualified bid, the homeowner should state his reasons/justification in writing to the Grantee. If the homeowner's justification is not acceptable, the homeowner will be required to finance any rehabilitation amount that exceeds the lowest qualified bid through his/her personal resources.
 - c. The Grantee will reject a bid in instances where the bid exceeds the cost estimate by a percentage determined by the Grantee in its policies and procedures, unless a review of the cost estimate demonstrates an error. If a low bid is under the cost estimate, a meeting will be arranged with the contractor to assure that his cost is within reason and will allow him to satisfactorily complete the job. The homeowner will be advised if no acceptable bids are received on their house and the project will be re-bid.
3. **REBID OR CHANGES IN SCOPE** - If all bids exceed the amount of the construction budget, Grantees *may not* negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the scope of the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. *Grantees must maintain documentation to demonstrate that this process was followed.*
4. **DEDUCTIBLE AND ADDITIVE ALTERNATES** - Bid specifications for construction projects may contain deductible alternates. By definition, a *deductible alternate* is a portion of the project that can be deleted to bring construction costs within the budget if all bids received exceed the funds available for construction. The deductible alternates must not change the scope of the project. Bid specifications for construction projects may also contain additive alternates.
5. **DISQUALIFIED CONTRACTORS** – The Grantee must disqualify a contractor from bidding on projects when the contractor is listed on HUD's Limited Denial of Participation and Voluntary Abstention List (the "Debarred List"). A Grantee may also disqualify a contractor from bidding on projects when:

- a. There is documented proof that the contractor has not paid material suppliers; or
 - b. The contractor has not completed projects within the allotted time frame; or
 - c. There exist complaints by property owners about quality of work and performance.
- 6. Upon final selection, all bidders are notified of the bid selection.
- 7. Applicants whose eligibility is marginal, either due to income or the cost of rehabilitation, will be submitted to the Grantee for review. Upon the application approval, the Owner will be given a Notice of Approval (HO-5) which will formally notify the Owner of his/her eligibility to receive financial assistance, the amount of assistance and any conditions under which the assistance is offered.
 - a. At contract signing, the Owner must be given the Right of Recission (HO-14). The Right of Recission must be fully explained by the Grantee to the homeowner.
 - b. A Grant Note and Deed of Trust must be signed by the homeowner prior to beginning the rehabilitation work.
- 8. **AFTER REHABILITATION VALUE** - Each unit must have an after-rehabilitation value documented. The Grantee can establish this value by determining the present *appraised* value (as determined by the county assessor) and adding it to the cost of the rehabilitation and related soft costs. This value must not exceed 95% of the area median sales price for the type of property being rehabilitated. Maximum property value limits are provided in **Attachment X: Property Value Limits** at the end of this Chapter.
- 9. **CONTRACT AWARD** - Following bid selection, a rehabilitation contract will be prepared (HO-11).
 - a. The contractor must have provided proof of liability insurance to the Grantee. Following receipt of satisfactory proof, a pre-construction conference will be held at the applicant's home.
 - b. The Grantee will bring the contract for the Owner's and the contractor's signatures and will again review in detail the work to be undertaken. The contractor will need to sign the Certification of Contractors Eligibility to Participate (HO-13).
 - c. The procedures to be utilized for inspection, change orders, grievance and close-out will also be reviewed with the owner and contractor.
- 10.5 **CONSTRUCTION PHASE** - The construction phase begins when the Grantee issues the Notice to Proceed (HO-15).
 - 1. **NOTICE TO PROCEED** - The Notice instructs the contractor to begin work and establishes the project completion date. The Notice to Proceed will, in most cases, be issued at contract signing.

2. **INSPECTION OF CONSTRUCTION** - As construction begins, the Grantee will make on-site inspections of the work. A Construction Progress Report (HO-17) will be prepared on the findings of each inspection. The frequency with which inspections are necessary will vary depending on the quality of the contractor and the nature and complexity of the work itself. As a general rule, the Grantee should be on-site the first day construction begins, and then on a regular basis until completion of the job.
3. **CHANGE ORDERS** - In many housing rehabilitation situations, it is not uncommon for a change in the scope of the work to occur. For example, the work write-up may call for replacing the existing wall covering (drywall, paneling, etc.), and it is discovered that the wall studs have severe termite damage which must be replaced. This was not anticipated in the work write-up and a change is now required to correct the unanticipated problem. A change order (HO-16) would be initiated at this time.
 - a. Except under unusual circumstances with prior approval from THDA, the total of the change order cannot exceed 10% of the original rehabilitation contract.
 - b. Since a change order becomes a binding part of the contract, the owner and contractor must sign it. The Grantee should notify THDA of all change orders to facilitate project revisions in IDIS.

10.6 CLOSE-OUT PHASE - The close-out phase begins when the contractor has completed all of the work.

1. **FINAL INSPECTION** - After completion of all repairs in the work write-up and change orders, a final inspection should be made by the Grantee. The Grantee, the homeowner and the contractor should make the final inspection together.
2. **PUNCH LIST** - In most instances, the "final inspection" does not turn out to be final. If additional work, clean-up, or corrections need to be accomplished, a written punch list (HO-17 & HO-18) is developed by the Grantee. This punch list is simply a detailed itemized list of all items remaining to be completed. The contractor is provided this list in writing with instructions that upon completion of all items and inspection of the same, final payment will be made.
3. **NOTICE OF COMPLETION** - The contractor must also file a Notice of Completion for all contracts over \$25,000 with the Register of Deeds in the county where the work has been performed. The Notice of Completion must run a minimum of ten (10) days for one (1) to four (4) units, and 30 days for five (5) or more units to comply with State law. When this has been done, and the statutory period has expired, the contractor may be paid.
4. **LEAD-BASED PAINT CLEARANCE TESTING** - Immediately after the completion of all punch list items, clearance testing by a certified lead-based paint inspector/risk assessor must be conducted. Documentation of the clearance must be submitted with the final pay request.
5. **CERTIFICATE OF COMPLETION AND FINAL INSPECTION** - Once the unit has been passed clearance testing, a Certificate of Final Inspection (FM-7) is

prepared and signed by the Grantee. This form indicates that all work is complete in accordance with the contract and change orders and further indicates the willingness of the Grantee to initiate close-out procedures.

6. CONTRACT CLOSE-OUT - Upon completion of the Certificate of Final Inspection (FM-7), the contractor must sign a Contractor's Final Invoice, Release of Liens, and Warranty (HO-19), and a Contractor's Non-Kickback Certification (HO-21). The Grantee will review all the documents for accuracy and completeness.
 - a. Particular attention will be focused on the Waiver of Lien to insure that all suppliers and subcontractors have released the project from lien action. The homeowner will be supplied with a copy of these documents.
 - b. The delivery of the check and the contractor's acknowledgement of Receipt of the Final Payment (HO-23) constitutes the completion of the rehabilitation case.

ATTACHMENT X:

PROPERTY VALUE LIMITS

MAXIMUM PROPERTY VALUE AFTER REHABILITATION FOR HOMEOWNER REHABILITATION PROJECTS AND MAXIMUM PURCHASE PRICE FOR HOMEOWNERSHIP PROJECTS (NEW CONSTRUCTION AND ACQUISITION-REHABILITATION)

EFFECTIVE JANUARY 1, 2006

FHA MORGAGEE LETTER 2005-49

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
ANDERSON	\$200,160	\$256,248	\$309,744	\$384,936
BEDFORD	\$200,160	\$256,248	\$309,744	\$384,936
BENTON	\$200,160	\$256,248	\$309,744	\$384,936
BLEDSE	\$200,160	\$256,248	\$309,744	\$384,936
BLOUNT	\$200,160	\$256,248	\$309,744	\$384,936
BRADLEY	\$200,160	\$256,248	\$309,744	\$384,936
CAMPBELL	\$200,160	\$256,248	\$309,744	\$384,936
CANNON	\$226,100	\$256,248	\$309,744	\$384,936
CARROLL	\$200,160	\$256,248	\$309,744	\$384,936
CARTER	\$200,160	\$256,248	\$309,744	\$384,936
CHEATHAM	\$226,100	\$256,248	\$309,744	\$384,936
CHESTER	\$200,160	\$256,248	\$309,744	\$384,936
CLAIBORNE	\$200,160	\$256,248	\$309,744	\$384,936
CLAY	\$200,160	\$256,248	\$309,744	\$384,936
COCKE	\$200,160	\$256,248	\$309,744	\$384,936
COFFEE	\$200,160	\$256,248	\$309,744	\$384,936
CROCKETT	\$200,160	\$256,248	\$309,744	\$384,936
CUMBERLAND	\$200,160	\$256,248	\$309,744	\$384,936
DAVIDSON	\$226,100	\$256,248	\$309,744	\$384,936
DECATUR	\$200,160	\$256,248	\$309,744	\$384,936
DEKALB	\$200,160	\$256,248	\$309,744	\$384,936
DICKSON	\$226,100	\$256,248	\$309,744	\$384,936
DYER	\$200,160	\$256,248	\$309,744	\$384,936
FAYETTE	\$200,160	\$256,248	\$309,744	\$384,936
FENTRESS	\$200,160	\$256,248	\$309,744	\$384,936
FRANKLIN	\$200,160	\$256,248	\$309,744	\$384,936
GIBSON	\$200,160	\$256,248	\$309,744	\$384,936
GILES	\$200,160	\$256,248	\$309,744	\$384,936
GRAINGER	\$200,160	\$256,248	\$309,744	\$384,936
GREENE	\$200,160	\$256,248	\$309,744	\$384,936
GRUNDY	\$200,160	\$256,248	\$309,744	\$384,936
HAMBLE	\$200,160	\$256,248	\$309,744	\$384,936
HAMILTON	\$200,160	\$256,248	\$309,744	\$384,936
HANCOCK	\$200,160	\$256,248	\$309,744	\$384,936
HARDEMAN	\$200,160	\$256,248	\$309,744	\$384,936
HARDIN	\$200,160	\$256,248	\$309,744	\$384,936
HAWKINS	\$200,160	\$256,248	\$309,744	\$384,936
HAYWOOD	\$200,160	\$256,248	\$309,744	\$384,936
HENDERSON	\$200,160	\$256,248	\$309,744	\$384,936
HENRY	\$200,160	\$256,248	\$309,744	\$384,936
HICKMAN	\$226,100	\$256,248	\$309,744	\$384,936
HOUSTON	\$200,160	\$256,248	\$309,744	\$384,936
HUMPHREYS	\$200,160	\$256,248	\$309,744	\$384,936
JACKSON	\$200,160	\$256,248	\$309,744	\$384,936
JEFFERSON	\$200,160	\$256,248	\$309,744	\$384,936

COUNTY NAME	1-FAMILY LIMIT	2-FAMILY LIMIT	3-FAMILY LIMIT	4-FAMILY LIMIT
JOHNSON	\$200,160	\$256,248	\$309,744	\$384,936
KNOX	\$200,160	\$256,248	\$309,744	\$384,936
LAKE	\$200,160	\$256,248	\$309,744	\$384,936
LAUDERDALE	\$200,160	\$256,248	\$309,744	\$384,936
LAWRENCE	\$200,160	\$256,248	\$309,744	\$384,936
LEWIS	\$200,160	\$256,248	\$309,744	\$384,936
LINCOLN	\$200,160	\$256,248	\$309,744	\$384,936
LOUDON	\$200,160	\$256,248	\$309,744	\$384,936
MACON	\$226,100	\$254,600	\$309,744	\$384,936
MADISON	\$200,160	\$256,248	\$309,744	\$384,936
MARION	\$200,160	\$256,248	\$309,744	\$384,936
MARSHALL	\$200,160	\$256,248	\$309,744	\$384,936
MAURY	\$200,160	\$256,248	\$309,744	\$384,936
McMINN	\$200,160	\$256,248	\$309,744	\$384,936
McNAIRY	\$200,160	\$256,248	\$309,744	\$384,936
MEIGS	\$200,160	\$256,248	\$309,744	\$384,936
MONROE	\$200,160	\$256,248	\$309,744	\$384,936
MONTGOMERY	\$200,160	\$256,248	\$309,744	\$384,936
MOORE	\$200,160	\$256,248	\$309,744	\$384,936
MORGAN	\$200,160	\$256,248	\$309,744	\$384,936
OBION	\$200,160	\$256,248	\$309,744	\$384,936
OVERTON	\$200,160	\$256,248	\$309,744	\$384,936
PERRY	\$200,160	\$256,248	\$309,744	\$384,936
PICKETT	\$200,160	\$256,248	\$309,744	\$384,936
POLK	\$200,160	\$256,248	\$309,744	\$384,936
PUTNAM	\$200,160	\$256,248	\$309,744	\$384,936
RHEA	\$200,160	\$256,248	\$309,744	\$384,936
ROANE	\$200,160	\$256,248	\$309,744	\$384,936
ROBERTSON	\$226,100	\$256,248	\$309,744	\$384,936
RUTHERFORD	\$226,100	\$256,248	\$309,744	\$384,936
SCOTT	\$200,160	\$256,248	\$309,744	\$384,936
SEQUATCHIE	\$200,160	\$256,248	\$309,744	\$384,936
SEVIER	\$200,160	\$256,248	\$309,744	\$384,936
SHELBY	\$200,160	\$256,248	\$309,744	\$384,936
SMITH	\$226,100	\$256,248	\$309,744	\$384,936
STEWART	\$200,160	\$256,248	\$309,744	\$384,936
SULLIVAN	\$200,160	\$256,248	\$309,744	\$384,936
SUMNER	\$226,100	\$256,248	\$309,744	\$384,936
TIPTON	\$200,160	\$256,248	\$309,744	\$384,936
TROUSDALE	\$226,100	\$256,248	\$309,744	\$384,936
UNICOI	\$200,160	\$256,248	\$309,744	\$384,936
UNION	\$200,160	\$256,248	\$309,744	\$384,936
VAN BUREN	\$200,160	\$256,248	\$309,744	\$384,936
WARREN	\$200,160	\$256,248	\$309,744	\$384,936
WASHINGTON	\$200,160	\$256,248	\$309,744	\$384,936
WAYNE	\$200,160	\$256,248	\$309,744	\$384,936
WEAKLEY	\$200,160	\$256,248	\$309,744	\$384,936
WHITE	\$200,160	\$256,248	\$309,744	\$384,936
WILLIAMSON	\$226,100	\$256,248	\$309,744	\$384,936
WILSON	\$226,100	\$256,248	\$309,744	\$384,936

ATTACHMENT XI:

COMMONLY USED FORMS FOR HOMEOWNER REHABILITATION

Chapter 2 Financial Management

1. FM-1 Authorization Agreement for Automatic Deposits
2. FM-2 Signature Form
3. FM-3 Project Set-up Form
4. FM-4 Request for Payment
5. FM-5 Interim Payment Application
6. FM-7 Certification of Completion and Final Inspection
7. FM-8 Homeowner Rehabilitation Project Completion Report

Chapter 6 Fair Housing and Equal Opportunity

1. EO-1 Policy and Procedures – Outreach to Minority and Women Business Enterprises
2. EO-2 Directory of Minority and Female Contractors and Suppliers
3. EO-4 Contract and Subcontract Activity
4. EO-5 Section 3 Questionnaire
5. EO-6 Policy of Nondiscrimination
6. EO-8 “Fair Housing – It’s Your Right”
7. EO-9 Housing Discrimination Complaint

Chapter 8 Lead-Based Paint

1. LBP-1 “Protect Your Family from Lead in Your Home”
2. LBP-2 Homeowner Receipt of Lead-based Paint Risk Assessment
3. LBP-3 Notice of Presumption of Lead-based Paint Hazards
4. LBP-4 Status of Compliance with Lead-based Paint Regulations
5. LBP-5 Homeowner Receipt of Lead-based Paint Clearance Report
6. LBP-6 Statement of Completion and Clearance
7. LBP-7 Elderly Relocation Waiver

Chapter 10 Homeowner Rehabilitation

1. HO-1 Sample Policies and Procedures
2. HO-2 HOME Main and Individual Case File Checklists
3. HO-3 HOME Rehabilitation Application/Family Survey
4. HO-4 Ineligible for Assistance

5. HO-4B Conflict of Interest Questionnaire
6. HO-5 Approval of Rehabilitation Assistance
7. HO-6A Preliminary Inspection Report
8. HO-6B Work Write-up and Cost Estimate
9. HO-7 Request for Reconstruction
10. HO-8 Request to Exceed \$25,000 cap for Rehabilitation Costs
11. HO-9 Request for Abatement of Lead Hazards
12. HO-10 Rehabilitation Bid Document
13. HO-11 Contract for Rehabilitation
14. HO-12 Contract Addendum for Lead Abatement
15. HO-13 Contractor's Certification of Eligibility to Participate
16. HO-14 Notice of Right of Rescission
17. HO-15 Notice to Proceed
18. HO-16 Change Order
19. HO-17 Inspection or Punch List Report
20. HO-18 Punch List Letter
21. HO-19 Final Invoice, Release of Liens, and Warranty
22. HO-20 Receipt of Final Payment
23. HO-21 Contractor's Non-Kickback Certification
24. HO-22 Calculation of After Rehabilitation Property Values
25. Grant Note HOME Program – Homeowner Rehabilitation
26. Deed of Trust HOME Program – Homeowner Rehabilitation – Government
27. Deed of Trust HOME Program – Homeowner Rehabilitation – Non-profit

SAMPLE

HOME PROGRAM POLICIES AND PROCEDURES FOR

1. PURPOSE

This program will make available financial and/or technical assistance for the rehabilitation of eligible substandard owner occupied housing units located in the community. Rehabilitation work will correct deficiencies in the eligible homes and make them safe, sound and sanitary.

2. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

3. PROGRAM RESOURCES

The source of funds for the undertaking of these activities is a grant in the amount of \$_____ which _____ has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

4. APPLICABLE LAWS

A. The local governing bodies, contractors, subcontractors, vendors and applicants for rehabilitation assistance are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358).
2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)
3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.

4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
6. Affirmative Marketing, 24 CFR 92.351.
7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.
8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.42, as applicable, and 24 CFR 92.356.
9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
11. Drug-Free Workplace, 24 CFR part 24, subpart F.
12. Standard Equal Opportunity Construction Contract Specifications.
13. Certification of Non-segregated Facilities for Contracts Over \$10,000.
14. Title VI of Civil Rights Act of 1964 Provisions.
15. Section 109 of Housing and Community Development Act of 1974 Provisions.
16. Section 3 Compliance Provisions.
17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

5 DRUG-FREE WORKPLACE

- A. The _____ (HOME Grantee) will or will continue to provide a drug-free workplace by
1. Notifying employees in writing that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Grantee's workplace and specifying the action that will be taken against employees for violation of such prohibition.
 2. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;

- b. The Grantee's policy of maintaining a drug-free workplace;
 - c. Any drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- C. Providing each employee engaged in the performance of the HOME contract a copy of the notification required in paragraph A(1) above;
- D. The written notification required in paragraph A(1) above will advise the employee that as a condition of employment under the HOME grant, the employee will:
 - 1. Abide by the terms of the notification; and
 - 2. Notify the employees in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- E. Notifying the State in writing, within ten (10) calendar days after receiving notice under D(2) above from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
- F. Taking one of the following actions, within thirty (30) calendar days of receiving notice under D(2) above, with respect to any employee who is so convicted:
 - 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirement of the Rehabilitation Act of 1973, as amended; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement or the appropriate agency;
 - 3. Making a good faith effort to continue to maintain a drug-free workplace through implementation of Paragraphs A, B, C, D, E and F above.

6 CONFLICT OF INTEREST

- A. **INELIGIBLE PERSONS** – For HOME grantees (city, county or non-profit agencies), the father, mother, husband, wife, brother, sister or children of any city or county elected official or any employee or board member of the non-profit organization is ineligible to receive benefits through the HOME program.
- B. **APPEARANCE OF A CONFLICT OF INTEREST** - The Grantee must make every effort to avoid a conflict of interest or the appearance of favoritism in the eligibility

determination process. In those cases where the applicant is otherwise eligible but there exists the appearance of a conflict of interest or the appearance of favoritism, the Grantee must complete HO-4A (Determination of a Conflict of Interest) and submit written documentation to THDA that the following procedures have been observed:

1. The Grantee must publish an announcement in the local newspaper concerning the potential for a conflict of interest and request citizen comments.
2. The Grantee's attorney must render an opinion as to whether or not a conflict of interest exists and that no state or local laws will be violated should the applicant receive HOME assistance.
3. The Grantee's elected body must pass a resolution approving the applicant.

7 APPLICANT ELIGIBILITY

- A. **APPLICANT ELIGIBILITY CRITERIA:** The following criteria must be satisfied by all applicants in order to become eligible for a rehabilitation grant:
1. The applicant must be low or very low income as defined by Section 8 income requirements.
 2. The applicant must have been the resident of the property to be rehabilitated for a period of not less than one year and must occupy the property as his or her principle residence.
 3. The applicant's ownership must be in the form of fee simple title or a 99-year leasehold. The title must not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.
 4. In the case of manufactured housing units, the applicant must own both the dwelling and the land on which the manufactured unit sits.
 5. The applicant must voluntarily apply for assistance.

8 INCOME ELIGIBILITY

- A. **ANNUAL INCOME (GROSS INCOME)** - The State's HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:
1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In

other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and

3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.
4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
5. **MONTHLY GROSS INCOME** - Monthly gross income is Annual Gross Income divided by 12 months.

B. ASSETS - In general terms, an asset is a cash or non-cash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.

1. **MARKET VALUE** - The market value of an asset is simply its dollar value on the open market. For example, a stock's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.
2. **CASH VALUE** - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:
 - a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or
 - b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.
 - c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

C. INCOME FROM ASSETS - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest or dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.

- a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or
 - b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.
 - c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.
2. When an Asset Produces Little or No Income:
- a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.
 - b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:
 - i. actual income from assets, or
 - ii. imputed income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added together. Use the standard passbook rate to determine the annual income from assets for this family.
3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.
- a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).
 - b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.

- c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

D. ASSETS INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.
2. Stocks, bonds, savings certificates, money market funds and other investment accounts.
3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*
4. The cash value of trusts that are available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Cash value of life insurance policies.
11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

E. ASSETS DO NOT INCLUDE:

1. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above
2. Interest in Indian Trust lands
3. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

4. Assets not accessible to the family and which provide no income to the family.
5. Vehicles especially equipped for the handicapped.
6. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

F. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income for operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the Family. Where the family has net family assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from net family assets or a percentage of the value of such Assets based on the current passbook saving rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).
5. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).
6. Welfare Assistance. If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

- b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- 7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling;
- 8. All regular pay, special pay and allowances of a member of the Armed Forces. (See paragraph (8) under Income Exclusions).

G. INCOME EXCLUSIONS - The following are excluded from a household's income for purposes of determining eligibility:

- 1. Income from employment of children (including foster children) under the age of 18 years;
- 2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family), who are unable to live alone;
- 3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).
- 4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- 5. Income of a live-in aide;
- 6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 6.12 (7) under Determining Whose Income to Count).
- 7. The full amount of student financial assistance paid directly to the student or to the educational institution;
- 8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- 9.
 - a. Amounts received under training programs funded by HUD;
 - b. Amounts received by a Disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses

incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program;

- d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the governing board. No resident may receive more than one such stipend during the same period of time.
 - e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.
- 10. Temporary, nonrecurring or sporadic income (including gifts);
 - 11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
 - 12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
 - 13. Adoption assistance payments in excess of \$480 per adopted child;
 - 14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
 - 15. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
 - 16. Amounts received by the family in the form of refunds or rebates under state or local law from property taxes paid on the dwelling unit.
 - 17. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
 - 18. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply.

- a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
- b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);
- c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
- d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
- e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
- f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
- g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- h. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117)
- i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f)).
- k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)
- m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- n. Payments received under the Maine Indian Claims Settlement Act of 1980.

H. TIMING OF INCOME CERTIFICATIONS - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.
2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.
3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The Grantee is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the Grantee determined that the family qualified as income eligible.
 - a. For homeowner rehabilitation projects, the date assistance is provided is the date of the rehabilitation contract.
 - b. For homeownership programs, the income eligibility of the families is timed as follows:
 - i. In the case of a contract to purchase existing housing, it is the date of the purchase;
 - ii. In the case of a lease-purchase agreement for existing housing or for housing to be constructed, it is the date the lease-purchase agreement is signed; and
 - iii. In the case of a contract to purchase housing to be constructed, it is the date the contract is signed.

I. INCOME VERIFICATION - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. **THIRD-PARTY VERIFICATION** - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.
 - a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.

- b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.
2. REVIEW OF DOCUMENTS - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, overtime, tips and bonuses.

3. APPLICANT CERTIFICATION - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. The Grantee can review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

J. CALCULATION METHODOLOGIES - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without overtime). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).
2. It is important to clarify whether overtime is sporadic or a predictable component of an applicant's income.
3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

K. DETERMINING WHOSE INCOME TO COUNT - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. INCOME OF LIVE-IN AIDES - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);

2. **INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN** - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and
3. **EARNED INCOME OF MINORS** - Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.
4. **TEMPORARILY ABSENT FAMILY MEMBERS** - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the state. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;
5. **ADULT STUDENTS LIVING AWAY FROM HOME** - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and
6. **PERMANENTLY ABSENT FAMILY MEMBER** - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.
7. **PERSONS WITH DISABILITIES** - During the annual recertification of a family's income, increases in the income of a disabled member of qualified families residing in HOME assisted housing or receiving HOME tenant- based rental assistance is excluded. 24 CFR 5.61(a) outlines the eligible increases in income. These exclusions from annual income are of limited duration. The full amount of increase to an eligible family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, 50 percent of the increase in income is excluded. The disallowance of increased income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period.

9 ELIGIBILITY REQUIREMENTS OF PROPERTY TO BE REHABILITATED

A. DEFINITIONS - The following are definitions of the various terms used with respect to eligibility requirements of the property to be rehabilitated.

1. **DWELLING UNIT** - A housing structure which is used entirely for residential purposes.

If the income based on family size is less than the stated figure, the household will receive extra points.

If 80% to 99% less	Add 70 points
If 60% to 79% less	Add 60 points
If 40% to 59% less	Add 50 points
If less than 39%	Add 20 points

2. NUMBER IN HOUSEHOLD

1 Person Household	5 Points
2 Person Household	10 Points
3 Person Household	20 Points
4 Person Household	25 Points
5 Person Household	30 Points
6 Person Household	35 Points
7 Person Household	40 Points
8 Person Household	45 Points

3. NUMBER OF ELDERLY 10 Points
per person

For each household member at least 62 years old at the time of application

4. NUMBER OF HANDICAPPED/DISABLED 10 Points
per person

Household member receiving disability benefits from Social Security, a pension program, life insurance program, or a total or partial physical impairment which renders the person unable to work. Where there exists reasonable question, a doctor's certification will be used.

5. FEMALE HEAD OF HOUSEHOLD 10 Points

6. NUMBER OF PERSONS 18 OR YOUNGER 10 Points
per person

7. CONDITION OF THE DWELLING STRUCTURE

Standard Dwelling	No Points
Substandard Dwelling	15 - 30 Points
Life Threatening Dwelling	50 Points

11. TERMS, CONDITIONS AND CONSIDERATIONS FOR GRANTS

A. DETERMINATION OF THE AMOUNT OF THE GRANT - The amount of a rehabilitation grant that an applicant may receive will not exceed:

1. The actual and approved cost of the repairs and improvements necessary to make the dwelling conform to the housing standards adopted by the Grantee and THDA.
2. The amount and structure of the grant must be consistent with the application submitted to THDA.
3. When the applicant is furnishing supplementary funds from other sources, evidence that actual funds are available will consist of verification and documentation by the Grantee that the applicant has deposited the required amount in the appropriate escrow account. Such deposit must be made before the grant application and any construction work can begin.

B. STRUCTURE OF FINANCIAL ASSISTANCE - HOME funds are used to make forgivable grants to property owners to cover the full cost of the needed rehabilitation work.

1. To prevent homeowners from simply selling the property and profiting from the HOME funded improvements, the owners must repay the program if they sell the property within the compliance period. Part of the owner's obligation is forgiven each year they live in the rehabilitated unit.

2. a. Repayment of the rehabilitation grant shall be based on a twenty percent (20%) reduction of the amount to be repaid per year, according to the following schedule:

0 - 12 months	100% Repayment
After one year	80% Repayment
After two years	60% Repayment
After three years	40% Repayment
After four years	20% Repayment
After five years	0% Repayment

- b. If the unit is reconstructed, the repayment of the rehabilitation grant shall be based on a six and 66/100 percent (6.66%) reduction of the amount to be repaid per year, according to the following schedule:

0 - 12 months	100% Repayment
After one year	93.34% Repayment
After two years	86.68% Repayment
After three years	80.02% Repayment
After four years	73.36% Repayment

After five years	66.70% Repayment
After six years	60.04% Repayment
After seven years	53.38% Repayment
After eight years	46.72% Repayment
After nine years	40.06% Repayment
After ten years	33.40% Repayment
After eleven years	26.74% Repayment
After twelve years	20.08% Repayment
After thirteen years	13.42% Repayment
After fourteen years	6.76% Repayment
After fifteen years	0% Repayment

3. The property owner must sign a Grant Note and a Deed of Trust. The Deed of Trust secures the Grant Note by placing a lien against the property and is activated if the owner attempts to sell within the compliance period.
4. In cases of death, THDA does not require repayment as long as the ownership of the property passes to the heirs. The heirs may occupy the unit, rent it or leave it sit empty, without triggering the repayment clause. However, if the heirs sell the property, or if the property is sold with monetary gain by any actions of a court to settle outstanding claims or settle the estate, the grant must be repaid to THDA, less any forgivable portion.

C. OTHER GRANT CONDITIONS - Specific terms and conditions are incorporated in the grant application and the contract documents. The applicant agrees to:

1. Allow inspection by the Grantee and/or THDA of the property whenever the Grantee and/or THDA determines that such inspection is necessary.
2. Furnish complete, truthful and proper information as needed to determine eligibility for receipt of grant money.
3. Permit the contractor to use, at no cost, reasonable existing utilities such as gas, water and electricity which are necessary to the performance and completion of the work.
4. Cooperate fully with the Grantee and the contractor to insure that the rehabilitation work will be carried out promptly.

12. ELIGIBLE REHABILITATION ACTIVITIES

- A. INTRODUCTION** - A rehabilitation grant may be made only to cover the cost of rehabilitation necessary to make a dwelling unit conform to the local housing code adopted by the jurisdiction in which the property is located and consistent with the application submitted to THDA.

B. LIMITATION OF REHABILITATION COSTS - Under the 2006 HOME program, rehabilitation costs are limited to \$25,000 per unit, plus soft costs. However, beginning with the 2005 HOME program, THDA will allow abatement and rehabilitation exceeding the \$25,000 cap on a limited case by case basis. The Grantee must request and receive written permission from THDA to exceed the limit before the unit is put out to bid. Expenses incurred conducting lead activities, interim controls, standard treatments, and abatement will not count towards the \$25,000 cap on rehabilitation costs. These costs will be paid as soft costs and will, however, count towards the subsidy limit.

C. ELIGIBLE COSTS

1. **EXISTING CODE VIOLATIONS** - Costs which can be included in rehabilitation grants are the costs of correcting existing housing code violations which have been determined by a qualified housing inspector and formalized in an individualized housing report.
2. **INCIPIENT CODE VIOLATIONS** - An incipient violation exists if at the time of inspection an element in the structure which, due to age, deterioration, wear, or normal usage will deteriorate within the life of the grant period and thus become code violations. Costs to correct these potential violations are eligible costs.
3. **PERMITS AND FEES** - Rehabilitation funds may be used to cover the cost of building permits and related fees required to carry out the proposed rehabilitation work. However, since the rehabilitation contract documents will require the contractor to pay them, these costs ordinarily would be included in the contract amount. Recording and filing fees are eligible costs.
4. **EQUIPMENT** - Rehabilitation funds may provide for the repair or purchase and installation of certain basic equipment necessary for the maintenance of the household in a safe, sanitary and healthy environment. These include such items as a furnace, water heater, electrical and sanitary fixtures, kitchen stove, refrigerator, cabinets and sinks. Purchase and installation is acceptable if there is no such equipment in the dwelling or if the existing equipment is unsafe, unsanitary or non-functional. There is a \$450 maximum expenditure (including taxes and delivery) for a kitchen stove, and an \$800 maximum expenditure (including taxes and delivery) for a refrigerator.
5. **HANDICAPPED** - Special alterations or costs related with making the dwelling more convenient or accessible for handicapped persons is an eligible cost. All work performed in these units must comply with all applicable costs as well as all Federal and State regulations.
6. **LEAD-BASED PAINT** - All costs associated with the reduction of lead-based paint hazards must comply with 24 CFR 92.355.
7. **DEMOLITION OF EXISTING STRUCTURES AND UTILITY CONNECTIONS**
All costs related to the demolition of existing structures and to provide utility connections are to comply with 24 CFR 92.206(a)(3).
8. **DEMOLITION OR REMOVAL OF MANUFACTURED HOUSING UNITS (MOBILE HOMES)** - When replacing a manufactured housing unit with a new manufactured housing unit, the work write-up must explain how the substandard

unit will be disposed of. If the substandard unit is to be taken to a dump site, then the contractor must supply the Grantee with a receipt or certification verifying that the unit was disposed of properly.

9. **EXTERIOR PAINTING** - Exterior painting is an eligible cost when it is necessary to maintain a watertight exterior on the dwelling.
10. **GUTTERS** - Gutters are an eligible cost when rehabilitating the exterior of a unit or when reconstructing a unit.
11. **OTHER COSTS** - Rehabilitation costs not specifically required by the housing rehabilitation standards found necessary for the safety, health and general welfare of the occupants of the structure may be considered for eligibility, with prior consent of the Grantee's governing body and THDA, as well as any other cost as outlined in 24 CFR 92.206.

C. INELIGIBLE COSTS

1. Renovation of dilapidated out buildings.
2. Appliances not required by code standards.
3. Materials, fixtures, equipment or landscaping of type or quality that exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated.
4. All items outlined in 24 CFR 92.214.

D. RECONSTRUCTION HOUSING - Prior to authorizing new dwellings under the "Reconstruction" provisions of the HOME program, the Grantee must determine if reconstruction is the more cost effective use of HOME funds.

1. When reconstruction is recommended, a completed HO-7, along with required supporting documentation and photographs must be submitted to THDA for review. If THDA concurs with the determination, written permission to proceed will be provided.
2. **REPLACEMENT HOME GUIDELINES.** The intent of a reconstruction activity is to provide assistance to homeowners who might not otherwise be helped due to the prohibitive cost of rehabilitating their existing home. A replacement home, if deemed the most cost-effective solution to the housing deficiencies, shall be prescribed by the grantee.
 1. Rehabilitation spending beyond reasonable limits on an existing home is not authorized if a replacement home is refused by the homeowner.
 2. A replacement home does not necessarily have to meet the same requirements as the existing home in terms of square footage, number of bedrooms/bathrooms or other design/amenity considerations.
 3. The replacement home must provide all permanent residents of the home with safe, decent and sanitary housing within the terms of the 2003

13. HOUSING REHABILITATION SPECIFICATIONS

- A. INTRODUCTION** - This section sets forth the responsibilities of the Grantee for determining the rehabilitation work necessary to bring a dwelling into conformance with the minimum code adopted by the Grantee, and with the objective of the program as proposed in the application submitted to THDA. The Grantee will:
1. Inspect the property and prepare an inspection list noting code deficiencies.
 2. Conduct lead-based paint testing/risk assessment to identify lead-based paint hazards.
 2. Consult with and advise the owner of the work to be done and the availability of a rehabilitation grant.
 3. Prepare a work write-up and cost estimate as a basis for rehabilitation grant and for the bid process in contracting for the rehabilitation work and lead-paint hazard reduction activities.
- B. PROPERTY INSPECTION AND SPECIFICATIONS CHECKLIST** - The Grantee will have the property inspected and have a report prepared that identifies each deficiency with respect to the housing code adopted by the Community and the lead-based paint hazard reduction activities required by the testing/risk assessment. The homeowner will also list other deficiencies and request for repairs which may be eligible for correction through the rehabilitation grant. These reports provide a proper basis for the preparation of the work write-up, cost estimate and contract specifications.
- C. WORK WRITE-UP AND COST ESTIMATE** - The work write-up and cost estimate is a statement based on the code inspection and lead-based paint testing/risk assessment. It itemizes separately all the rehabilitation work and the lead hazard reduction activities to be done on the dwelling and includes an estimate of the cost of each item. The cost estimate will be reasonable, reflect prevailing labor and material costs, and reflect a reasonable profit for the contractor.
1. **DUAL-USE OF WORK WRITE-UP** - The write-up will be detailed and specific in style. Each item will be identified as correcting a code violation, meeting a code requirement, reducing lead-based paint hazards or an eligible cost under the grant. This same write-up without the cost estimate will serve as part of the specifications for the construction contract documents.
 2. **ITEMIZING COSTS** - Each item of work and its estimated cost will be identified in the work write-up as either correcting a code violation, meeting a code requirement, reducing lead-based paint hazards, or eligible under the grant. This will be done on the work write-up by entering the cost estimates in a columnar arrangement.

3. **OWNER PREFERENCE** - A work write-up need not contain details that have no significant effect on cost. The term "to be selected by owner" may be used appropriately.
- D. CONSULTATION WITH HOMEOWNER/APPLICANT** - The Grantee will consult with the prospective applicant on the work write-up and cost estimate. The Grantee will advise the applicant that only work that is directed toward correcting a code violation, meeting a code requirement or an eligible activity can be funded by the grant. The homeowner must understand that "cosmetic improvements" are not eligible for funding. The final work write-up (without costs) will be used by contractors for determining their bids and incorporated into the rehabilitation contract documents which the homeowner and contractor will sign. The homeowner should initial each page and sign the last page of the write-up.
- E. CLEARLY WRITTEN SPECIFICATIONS** - The work write-up will be written so that it provides a clear detailed understanding of the nature and scope of the work to be done and a basis for carefully determined bids and proposals from contractors. The homeowner shall have a clear understanding of the nature and scope of the work to be done and any limitations that may exist.
 1. Each specification will show the nature and location of the work and the quantity and type of material required.
 2. The specifications will refer to manufacturer's brand names or association standards to identify quality of material and equipment, and may make provision for acceptable substitutes or quality and brand name requirements may be included in the "General Conditions and Specifications" and indicated by reference in the work write-up.

14. CONTRACTING FOR REHABILITATION WORK

- A. INTRODUCTION** - This section sets forth requirements and procedures with respect to the construction contracts for housing rehabilitation financed through a rehabilitation grant. Rehabilitation work will be undertaken only through a written contract between the contractor and the property owner receiving the grant.
 1. **FORM OF CONTRACT** - The construction contract will consist of a single document signed by the contractor and the property owner, following approval of the grant application. It will contain a bid, the Grantee's General Conditions and Specifications by reference, the work write-up which specifies the work to be done, and the existing code violations.
 2. **USE OF ALTERNATES** - The document prepared by the Grantee may contain alternates by which each bidder may increase or decrease the lump sum contract price, if the alternates are later accepted as part of the work to be performed.
 3. **PROCUREMENT OF BIDS** - The Grantee will advertise openly and publicly for bids and encourage minority and female owned firms to bid on its projects.
- B. GENERAL CONDITIONS** - The bid package will contain the following:

1. The address, time and date by which the bid should be submitted by the contractor.
2. A provision that the bid be accepted by the homeowner within a specified length of time.
3. A provision that the contractor start work within a specified length of time.
4. A statement concerning the acceptability of progress payments.
5. A provision that final payment on the contract amount will be made only after final inspection, acceptance of all work by the Grantee and the homeowner, and after the Grantee receives the contractor's final invoice release of liens and warranty, and claims for liens by subcontractors, laborers and material suppliers for completed work or supplied materials.
6. Provisions that the contractor will be required to:
 - a. Obtain and pay for all permits and licenses necessary for the completion and execution of the work and labor to be performed.
 - b. Perform all work in conformance with applicable local codes, lead-based paint regulations and requirements whether or not covered by specification and drawings for the work.
 - c. Keep the premises clean and orderly during the course of the work and remove all debris at the completion of the work. Materials and equipment that have been removed and replaced as part of the work shall belong to the contractor, unless specifically stated otherwise within the work write-up.
 - d. Not assign the contract without written consent of the Grantee and homeowner.
 - e. Guarantee the work performed for a period of one year from the date of final acceptance of all work required by the contract. Furthermore, furnish the homeowner, in care of the Grantee, with all manufacturer's and suppliers written guarantees and warranties covering materials and equipment furnished under the contract.
 - f. Include a statement as to whether the premises are to be either occupied or vacant during the course of construction work.
 - g. A provision that the contractor may reasonably use existing utilities without payment during the course of the work.

C. INSURANCE

1. The contractor shall carry or require that there be carried Workman's Compensation Insurance for all his employees and those of his subcontractors engaged in work at the site in accordance with Tennessee State Workman's Compensation Laws.

2. The contractor shall carry or require that there be carried Manufacturer's and Contractor's Public Liability Insurance. This insurance will be in an amount not less than \$100,000 for injuries including accidental death to any one person for one accident, and to protect the contractor and subcontractors against claims for injury or death on one or more person because of accidents which may occur or result from operations under the contract. Such insurance shall cover the use of all equipment, including but not limited to, excavating machinery, trenching machines, cranes, hoists, rollers, concrete mixers, and motor vehicles in the construction of the rehabilitation embraced in their contract.
3. The contractor shall carry during the life of the contract Property Damage Insurance in an amount of not less than \$50,000 to protect him and his subcontractors from claims for property damage which might arise from operations under their contract.
4. Before commencing work, the contractor shall submit evidence of coverage required to the Grantee. A certificate of insurance shall be presented as the evidence.

NOTE - The Grantee is advised to consult with its attorney to insure that the extent, limit and amount of contractor's insurance is consistent with the scope of the project and current State law.

D. WORK WRITE-UPS, SPECIFICATIONS AND DRAWINGS - The specifications, based on the code inspection, the work write-up and illustrative sketches, if any, covering the specific rehabilitation work for each property to be rehabilitated will be prepared by the Grantee. The specifications will:

1. Clearly identify the code violation and lead-based paint hazard;
2. Specify work to correct those violations or hazards;
3. Note any unusual features or limitations;
4. Include the Grantee's estimated cost for rehabilitation; and
5. Will be initialed on each page by the homeowner and signed on the signature page by the homeowner.

E. INELIGIBLE CONTRACTORS - The Grantee may determine a contractor ineligible to bid on projects when:

1. The contractor is listed on the Federal Debarred list;
2. There is documented proof that the contractor has not paid material suppliers;
3. There is documented proof that the contractor has not completed projects within the allotted time frame;
4. There exist substantial complaints by homeowners about quality of work and performance.

F. INVITATION TO CONTRACTORS FOR BID AND PROPOSAL

1. The Grantee will announce the program and advertise for contractors in local and/or regional newspapers at the beginning of the program and at least once each year thereafter.
2. The Grantee will accept applications from contractors throughout the life of the program.
3. The Grantee will develop and maintain a list of contractors, including minority and female headed firms within the region.
4. The Grantee will notify in writing and in a timely fashion all contractors on the Contractors List when bid packages are available.
5. The Grantee will document when and to whom invitations to bid are sent out and packages picked up.

G. SELECTION OF A SUCCESSFUL BIDDER - The opening of the sealed bids must meet these conditions.

1. The opening must be public.
2. The lowest bid will prevail unless it falls under or over previously established limits as determined by the Grantee's cost estimate.
3. There must be **at least three (3) competitive bids** by eligible contractors.
4. Minutes of the award and bid tabulations should be appropriately filed.
5. Questions concerning contractor eligibility shall be decided prior to opening the bids.
6. The Grantee will verify with THDA that contractors are not debarred.
7. The Grantee may limit the number of bids awarded to any one contractor at any one bid letting to three (3).
8. If all bids exceed the amount of the construction budget, the Grantee may not negotiate solely with the low bidder. The project can be re-bid or changed in scope. If the project is changed, then each bidder must be given the opportunity to bid again. Bidders must be informed that they have the right to change their original unit prices as long as they conform to the revised bid specifications. Grantees must maintain documentation to demonstrate that this process was followed.
9. If there are not at least three (3) competitive bids from eligible contractors, the project must be re-bid. If there are still not three bids after the project has been re-bid, the Grantee will contact THDA before awarding the contract.

- H. **AWARD OF THE CONSTRUCTION CONTRACT** - The contract will become effective upon the signatures of the homeowner and contractor and with the Grantee's endorsement. The Grantee will distribute the executed contract documents as follows: original to Grantee, copy to homeowner, copy to contractor.

15. INSPECTION, CLOSE-OUT AND PAYMENT FOR REHABILITATION WORK

- A. **RESPONSIBILITY FOR MAKING INSPECTIONS** - Inspection of construction will be performed by the Grantee or its designate as follows:
1. Compliance inspections will be made as often as necessary to assure that the work is being completed in accordance with the community's building, electrical, mechanical and plumbing codes, zoning regulations, and any other related State or local laws and ordinances.
 2. Inspections will be made as often as necessary to assure that the work being performed is in accordance with the terms of the construction contract.
 3. Written notices of inspections (HO-17) shall be filed appropriately.
- B. **PROGRESS PAYMENTS** - If progress payments are allowed by the Grantee, no more than one progress payment can be made and the payment will be 50% of the funds at the completion of 60% of the work.
- C. **FINAL PAYMENTS**
1. **FINAL INSPECTION** - Upon completion of the rehabilitation work, a final inspection is held by the Grantee. Any uncompleted work or work that is unsatisfactory is noted on a final "punch list" and sent to the contractor in writing (HO-17 and HO-18). When these items are completed, clearance testing for lead-based paint hazards is conducted on the unit. When the unit passes clearance testing, the contract is complete.
 2. **CERTIFICATION** - After the Grantee determines that the rehabilitation work has been fully and satisfactorily completed and the unit has passed clearance testing, the Certification of Completion and Final Inspection is prepared (FM-7). The homeowner signs the Certification indicating that he accepts the rehabilitation work as meeting the terms and conditions of the contract. The contractor signs the Certification indicating that the work has been completed in accordance with the contract and that there are no unpaid claims for labor, materials supplies or equipment. The inspector signs the Certification indicating that work has been completed in accordance with the contract and authorizing final payment.
 3. **NOTICE OF COMPLETION** - The contractor shall file a Notice of Completion with the Register of Deeds in the county that the work is performed and return a certified copy to the Grantee.
 4. **MAKING FINAL PAYMENT** - When the final inspection determines that the work is completed in accordance with the contract and the homeowner has accepted the

work, the Grantee will obtain from the contractor a release of liens, including all subcontractors and suppliers, and a copy of each warranty due the owner for the work. The Grantee will request final payment from THDA at that time.

5. If the homeowner refuses to sign the final acceptance, the Grantee may authorize full payment for those items which are undisputed and acceptable to all parties.

16. GRIEVANCE PROCEDURE

- A. The Grievance Procedure shall be made a part of the contract between the homeowner and the contractor. Disputes between the homeowner, Grantee and contractor may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties, the grievance procedure will be followed.
 1. The grievance by the homeowner or contractor is to be filed with the program administrator in writing.
 2. The program administrator will meet with the homeowner/contractor and attempt to negotiate a solution.
 3. Contact the THDA Community Programs Division at (615) 741-3007 should the program administrator fail to negotiate a solution.
- B. **GRIEVANCE PROCEDURE** - If this fails, the program administrator will follow the grievance procedure as outlined below:
 1. All claims or disputes between the owner and contractor arising out of or related to the work shall be decided by arbitration in accordance with the current construction industry arbitration rules of the American Arbitration Association unless the parties mutually agree otherwise.
 2. The owner and contractor shall submit all disputes or claims, regardless of the extent of the works progress, to _____ unless the parties mutually agree otherwise.
 3. Notice of the demand for arbitration shall be filed in writing with the other party to this rehabilitation agreement and shall be made within a reasonable time after the dispute has arisen.
 4. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.
 5. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the contractor, the arbitrator may award costs and attorney fees in favor of the contractor. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the owners, the arbitrator may award costs and attorney fees in favor of the owner.

- C. **THE WRITTEN CONTRACT** - The contract and the rehabilitation specifications, along with the housing code report provide the basic documentation by which the relative merits of any dispute will be judged.
- D. **CONFLICT OF INTEREST OF PUBLIC OFFICIALS** - No elected or appointed Federal, State or local official, member of the local governing body, or any other public official or employee who exercises any functions or responsibilities in conjunction with the administration of the housing rehabilitation shall have any interest, direct or indirect, in the proceeds or benefits of the rehabilitation grant program. In those cases where the interest may not be direct or indirect, and the conflict of interest is only "apparent", the Grantee must contact THDA for clarification before proceeding. THDA will not routinely consider requesting an exception to the conflict of interest provisions from HUD.
- E. **KICKBACKS AND DISCOUNTS** - No member of the governing body of the Grantee or any Grantee employee shall receive kickbacks or discounts from either contractors or property owners in return for special favors in regard to housing rehabilitation.

PROGRAM AND INDIVIDUAL FILE CHECKLISTS

PROGRAM FILES

YES	NO	FORM	
			Grantee Contract
			Special Conditions contained in Attachment A
			Written Hiring Policy or Personnel Policies for the community or non-profit
			Documentation of efforts to inform community and/or minorities of vacancies
			Copies of advertisements for employment, applications and individuals hired
			Drug Policy w/state notification language and resolution of adoption
			Environmental Review Record
		HO-1	Homeowner Rehabilitation Policies Policy and Procedures with the resolution of adoption
		EO-2	Copy of Minority/Female Business Directory
			Copy(ies) of advertisements and/or notifications of public meeting
			Documentation that a public meeting was held
			Documentation that priority system is being followed
			Documentation of project being publicly bid (bid advertisements, notifications and letters)
			Documentation of efforts to contact minority/female business's
		EO-4	Contractor/subcontractor Activity Report
		EO-5	Section 3 Questionnaire
		EO-6	Policy of Non-Discrimination posted so visible to the public
			Documentation of complaints and resolution
			Copies of written correspondence

INDIVIDUAL FILE CHECKLIST

YES	NO	FORM	
		HO-3	Application/Family Survey
		EO-8	Receipt of Fair Housing Pamphlet
		HO-4	Ineligible for Assistance, if applicable
		HO-5	Approval for Rehabilitation Assistance
			Site Specific Checklist, if applicable
			Proof of Property Ownership
		LBP-1	Receipt of Lead Paint Pamphlet by Family
		HO-6B	Rehabilitation Work Write-up and Cost Estimate signed by homeowner with line item costs for rehabilitation work and lead work
		LBP-2	Homeowner Receipt of Risk Assessment, if applicable
			Copy of Risk Assessment, if applicable
		LBP-3	Presumption of Lead-based Paint Hazards, if applicable
		HO-7	Request for Reconstruction and approval, if applicable
		HO-8	Request to Exceed \$25,000 cap and approval, if applicable
		HO-9	Request for Lead Abatement and approval, if applicable
		LBP-7	Elderly Waiver for Relocation
		HO-10	Rehabilitation bid tabulation and copies of all bids
		HO-11	Contract for Rehabilitation
		HO-12	Contract Addendum for Reduction of Lead Paint Hazards
		FM-3	Project Set-up Form
		HO-13	Contractor's Certification of Eligibility to Participate
			Contractor's Proof of Liability Insurance
		HO-14	Right of Rescission
		HO-15	Notice to Proceed
		HO-16	Change Order(s)
		HO-17	Inspection or Punchlist Report
		HO-18	Punch List Letter
		LBP-4	Status of Compliance with Lead-Based Paint Regulations
		LBP-5	Homeowner Receipt of Clearance Report, if applicable
			Copy of Clearance Report, if applicable
		LBP-6	Statement of Completion and Clearance
			Recorded Notice of Completion
		FM-7	Certification of Completion and Final Inspection
		HO-19	Final Invoice, Release of liens, and Warranty

INDIVIDUAL FILE CHECKLIST

YES	NO	FORM	
		HO-20	Receipt of Final Payment
		HO-21	Contractor's Non-Kickback Certification
		FM-8	HUD Project completion report - Homeowner Rehabilitation
		HO-22	Calculation of After Rehabilitation Property Value
			Copies of contractor payments (cancelled checks/both sides)
			Grant Note
			Recorded Deed of Trust
			Documentation that special conditions in Attachment A are being met
			Documentation of follow-up visit s
			Written complaints and resolution, correspondence
			Copies of all written correspondence

HOME PROGRAM HOMEOWNER APPLICATION/FAMILY SURVEY

Date: _____

Name of Interviewer: _____

A. PERSONAL INFORMATION

Head of Household: _____ Age: : _____

Social Security Number: _____

Address: _____ Phone: _____

City: _____ State: _____ Zip: _____

Marital Status: ☐ Single ☐ Married ☐ Divorced ☐ Widow/Widower

Name of Spouse: _____ Age: _____

Social Security Number: _____

All persons living with you	Relationship	Age	Sex	Social Security #
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Are either you or your spouse handicapped or disabled? ☐ YES ☐ NO

If YES, what is the nature of the condition? _____

Are either you or your spouse related to any individual who is employed by the local government or agency administering this grant. ☐ YES ☐ NO

If YES, what is the relationship? _____

SUMMARY OF HOUSEHOLD

1. Size of household: _____
2. Number of Elderly Household Members: _____
3. Number of Handicapped or Disabled: _____
4. Female Headed Household: _____
5. Number of Persons 18 years old or younger: _____

B. DWELLING STRUCTURE

1. ☐ Single Family ☐ Duplex ☐ Triplex
2. Number of Bedrooms _____
3. Approximate year built _____
4. Date first moved in unit _____

C. FAMILY INCOME CALCULATION

1. Number in Household _____
2. Income Limits for _____ County dated _____
LMI Maximum _____ VLI Maximum _____
3. Payment Frequency
☐ Hourly (hourly rate x number of hours per week)
☐ Weekly (weekly salary x 52 weeks per year)
☐ Bi-monthly (24 times per year)
☐ Every two weeks (26 times per year)
☐ Monthly
4. Show income calculation to convert to annual gross income.
Example: Mr. Jones is paid \$5.00/hour and works 32 hours/week
 $\$5.00 \times 32 = \$160 \times 52 \text{ weeks} = \$8,320 \text{ annual income}$

5. ASSETS (other than your home, household items and automobile)

FAMILY MEMBER	ASSET DESCRIPTION	CURRENT MARKET VALUE	INCOME FROM ASSETS
Total Net Family Assets		a.	
Total Actual Asset Income			b.
If line (a) is greater than \$5,000, multiply (a) by _____ (passbook rate) and enter result here; otherwise, leave blank			c.

6. SUMMARY OF INCOME DATA

FAMILY MEMBER	WAGES SALARIES	BENEFITS PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	TOTALS
TOTALS					

Asset Income - Enter greater of lines 5(b) or 5 (c) above \$ _____

Total Anticipated Income \$ _____

ANNUAL INCOME - Anticipate Income plus Asset Income \$ _____

D. INCOME LEVEL

- | | |
|---|---|
| <input type="checkbox"/> Above 80% of area median | <input type="checkbox"/> 80% of area median |
| <input type="checkbox"/> 60% of area median | <input type="checkbox"/> 50% of area median |
| <input type="checkbox"/> Below 50% of area median | |

E. VERIFICATION

Income verified by _____ using:

- | | |
|---|--|
| <input type="checkbox"/> Check stub | <input type="checkbox"/> Employer Verification |
| <input type="checkbox"/> Benefit Verification | <input type="checkbox"/> Copy of Benefit Check |

F. CERTIFICATION

To the best of my knowledge, I certify that the information in this application for federal assistance through the HOME program is true and correct. I further certify that the address listed is my principal residence. I will comply with the HOME program rules and regulations if assistance is approved. I also certify that I am aware that providing false information on the application can subject the individual signing such application to criminal sanction up to and including a Class B Felony.

Applicant

Date

Applicant

Date

Please submit the following with this application:

1. Proof of ownership in the form of a warranty deed or 99-year leasehold
2. Copy of paycheck stub, benefit verification or benefit check or employer verification documenting current income.
3. Copy of property tax receipts.

HOME Program Eligibility Release Form

Organization requesting release of information
(Name, Address, Telephone and Date)

Purpose: Your signature on this HOME Program Eligibility Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

HOME Homeownership Program
HOME Rental Rehabilitation Program
HOME Homeowner Rehabilitation Program
HOME Rental New Construction Program

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Head of Household – Signature, Printed Name and Date Family Member HEAD
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #3
X

Information Covered: Inquiries may be made about items initiated by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Federal Preferences		
Other Preferences		
Other (list)		
Dependent Deduction ____ Full-Time Student ____ Handicap/Disabled Family Member ____ Minor Children		

Authorization: I authorize the above-named HOME Grantee and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the owner in this process.

Other Adult Member of Household – Signature, Printed Name and Date Family Member #2
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #4
X

VERIFICATION OF ASSETS ON DEPOSIT

(Name of HOME Participating Jurisdiction) _____	Checking Account #	Average Monthly Balance for Last 6 Months	Current Interest Rate	
AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.	Savings Accounts #	Current Balance	Current Interest Rate	
	Certificate of Deposit Account #	Amount	Withdrawal Penalty	Current Interest Rate
IRA, Keogh, Retirement Accounts				
Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed	Account #	Amount	Withdrawal Penalty	Current Interest Rate
	Money Market Funds	Amount (Average 6 month Balance)	Interest Rate	
Release: I hereby authorize the release of the requested information _____ (Signature of Applicant)	Signature of _____ or Authorized Representative_____. Title: Date: Telephone			
WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.				

VERIFICATION OF EMPLOYMENT

<p>(Name of HOME Participating Jurisdiction)</p> <p>_____</p>	<p>Employed since: _____ Occupation: _____</p> <p>Salary: _____ Effective date of last increase: _____</p> <p>Base pay rate:</p> <p>\$ _____/hour or \$ _____/week or \$ _____/month</p> <p>Average hours/week at base pay rate: _____ Hours</p> <p>No. Weeks ____ or No. Weeks _____ worked per year</p> <p>Overtime pay rate: \$ _____/hour</p> <p>Expected average number of hours overtime worked per week during next 12 months: _____</p>
<p>AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p>	<p>Any other compensation not included above (specify for commissions, bonuses, tips, etc.):</p> <p>For: _____ \$ _____ per _____</p> <p>Is pay received for vacation? ____ No. of days/year _____</p> <p>Total base pay earnings for past 12 mos. \$ _____</p> <p>Total overtime earnings for past 12 mos. \$ _____</p> <p>Probability and expected date of any pay increase: _____</p> <p>Does employee have access to a retirement account? Yes _____ No _____</p> <p>If Yes, what amount can they get access to \$ _____</p>
<p>Release: I hereby authorize the release of the requested information</p> <p>_____</p> <p>(Signature of Applicant)</p>	<p>Signature of _____ or</p> <p>Authorized Representative _____.</p> <p>Title:</p> <p>Date:</p> <p>Telephone</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

INELIGIBLE FOR ASSISTANCE

DATE: _____

CASE NO. _____

(To the Applicant)

We regret to inform you that your application for rehabilitation assistance has been turned down for the reasons checked below:

- _____ Over Income Limits
- _____ After Rehabilitation Value exceeds 95% of area median sales price limits
- _____ Cannot make house standard with available funds
- _____ Property ownership not properly recorded
- _____ Other:

Explanation:

If you have any questions on this matter, please contact our office at _____.

Sincerely,

Program Administrator

CONFLICT OF INTEREST QUESTIONNAIRE

DATE: _____

HOMEOWNER: _____

PROPERTY ADDRESS: _____

1. Does the applicant exercise any responsibilities with respect to the HOME program?

2. Does the applicant participate in the decision making process concerning the HOME program?

3. Does the applicant have any inside knowledge concerning the HOME project?

4. Does it appear that the applicant received special consideration not available to other applicants?

<p>APPROVAL FOR REHABILITATION ASSISTANCE</p>
--

DATE: _____

CASE NO. _____

KNOW ALL MEN BY THESE PRESENT:

WHEREAS, _____ has applied to _____ for financial assistance in the amount of \$ _____ to make certain eligible improvements on the following described real estate:

Property Address

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS, that the _____ hereby agrees to provide assistance to the said _____ in the amount of \$ _____ in order to perform eligible rehabilitation activities described in previously submitted and approved application documents according to the provisions of _____'s HOME program.

DATED this _____ day of _____, 19____.

Program Administrator

PRELIMINARY INSPECTON REPORT

Homeowner

Inspected By

Address

Date

City

Estimate

Telephone

Case Number

INSPECTION REPORT

ITEM

CODE VIOLATION

COST

WORK WRITE-UP AND COST ESTIMATE

Homeowner

Inspected By

Address

Date _____

City

Estimate

Telephone

Case Number

WORK WRITE-UP			
ITEM	CODE VIOLATION	LEAD HAZARD	COST

DETERMINATION FOR RECONSTRUCTION

Date: _____

Project Address: _____

1. Has the property been condemned by the local codes department?

Yes ☐ No ☐ (if no explain)

2. In the opinion of the Grantee's inspector will the property repairs exceed 80% of the after rehabilitation value?

Yes ☐ No ☐ Estimated Rehabilitation Cost _____

Estimated Reconstruction Cost _____

3. In the opinion of the grantee's inspector this unit is not safe, sanitary, or affordable to rehabilitate.

Yes ☐ No ☐

4. This statement certifies that I, _____ have inspected the above-referenced unit, and hereby certify this demolition is in compliance with regulations of the HOME RECONSTRUCTION PROGRAM as outlined in the Federal register 24 CFR Part 92.

 Grantee's Inspector

 Grantee's Administrator

5. Attach a copy of the work write-up with line item costs.
6. Attach pictures illustrating the problems. These may be submitted on a floppy disc, by e-mail or conventional pictures.

REQUEST TO EXCEED \$25,000 CAP FOR REHABILITATION COSTS

Date: _____

Project Address: _____

1. The unit is: Pre-1978 ☐ 1978 or later ☐
 2. Does the property have lead-based paint or lead-based paint hazards? If yes, explain and attach risk assessment.
 Yes: ☐ No ☐
 3. In the opinion of the Grantee's inspector, will the property repairs exceed 80% of the after rehabilitation value?
 Yes ☐ No ☐
- Estimated Rehabilitation Cost: \$ _____
- Estimated Reconstruction Cost: \$ _____
4. Attach a copy of the work write-up, with line item costs.*
 5. Attach an explanation as to why it is felt that the community would be better served by preserving this housing stock as opposed to reconstructing the unit.*
 6. Attach pictures illustrating why rehabilitation is better than reconstruction.*

Grantee's Inspector: _____

Grantee's Administrator: _____

*Insufficient documentation or pictures will slow the approval process.

REQUEST FOR ABATEMENT OF LEAD-BASED PAINT HAZARDS

Date: _____

Project Address: _____

1. In the opinion of the Grantee's inspector, will the property repairs exceed 80% of the after rehabilitation value?

Yes ☐ No ☐

Estimated Rehabilitation Cost: \$ _____

Estimated Abatement Cost: \$ _____

Estimated Reconstruction Cost: \$ _____

2. Attach a copy of the work write-up, with line item costs.*
3. Attach a copy of the risk assessment.
4. Attach an explanation as to why it is felt that the community would be better served by the abatement of lead-based paint hazards and preserving this housing stock as opposed to reconstructing the unit.*
5. Attach pictures illustrating why rehabilitation is better than reconstruction.*

Grantee's Inspector: _____

Grantee's Administrator: _____

*Insufficient documentation or pictures will slow the approval process.

REHABILITATION BID TABULATION

DATE: _____

CASE NO. _____

NAME OF APPLICANT _____

ADDRESS OF PROPERTY BID ON _____

DATE BID ADVERTISED (if applicable) _____

NAMES OF CONTRACTORS WHO BID:	REHAB	LEAD	TOTAL BID
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____

LOWEST BIDDER _____

CONTRACTOR AWARDED CONTRACT _____

\$ _____
AMOUNT OF CONTRACT

DATE OF CONTRACT _____

GRANTEE REPRESENTATIVE _____

DATE: _____

IS BID WITHIN 10% OF STAFF ESTIMATE? _____

CONTRACT FOR REHABILITATION

KNOW ALL MEN BY THESE PRESENT:

GRANTEE _____ TENNESSEE

THIS AGREEMENT made this _____ day of _____ 19____ by and between
 _____ hereinafter referred to as "OWNER" and
 _____ hereinafter referred to as "CONTRACTOR".

WITNESSETH:

The OWNER does hereby employ the CONTRACTOR to do all the work and provide all materials, tools, machinery, supervision, etc. necessary for the rehabilitation of the property known as _____ for the total sum of _____ Dollars (\$ _____), all in accordance with the estimate, plans, and specifications which are attached hereto as the Work Write-up and expressly incorporated herein by reference and made a part hereof.

Section I General Conditions

The Bid and Proposal shall be accepted by the OWNER within ten (10) days from the date for receiving the proposal, but no work shall be commenced by the CONTRACTOR until he/she has received a written Proceed Order from the OWNER.

The OWNER shall issue a written Proceed Order within ten (10) days for the date of acceptance of the CONTRACTOR'S Bid and Proposal. If the order is not received by the CONTRACTOR within this ten (10) day period, the CONTRACTOR has the option of withdrawing his bid and proposal.

The CONTRACTOR must commence work within fifteen (15) days after issuance of the Proceed Order. At the option of the OWNER this contract may be cancelled by failure of the CONTRACTOR to begin work on the date specified.

The CONTRACTOR must satisfactorily complete the work within sixty (60) days after issuance of the Proceed Order in accordance with this agreement and in good workmanlike and substantial manner.

SECTION II HOME Applicable Laws & Regulations

Homes must comply with all applicable standards listed below:

1. Executive Order 11246 Requirements as provided in Exhibit A shall apply and be made part of all contracts when the sum to be charged for the work is \$10,000 or more.
2. Prohibition of the Use of Lead-Based Paint. The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations 24 CFR Part 35. The CONTRACTOR and Subcontractors shall comply with the provisions for the elimination of lead-base paint hazards under sub-part B of said regulations. The OWNER will be responsible for the inspections and certifications required under Section 35.14(f) thereof.

3. Section 92.350 Equal Opportunity & Fair Housing 24 CFR 207.
4. Section 92.351 Affirmative Marketing.
5. Section 92.354 Labor.
6. Section 92.356 Conflict of Interest 24 CFR 24.
7. Section 92.357 Debarment and Suspension 24 CFR 24.
8. Uniform Relocation Assistance and Real Estate Property Acquisition Policies Act of 1970 as amended implementing Regulations A7 49 CFR. Part 24 and the requirements of 24 CFR 92.353.
9. Section 92.251 Property Standards 24 CFR Part 92.
10. Cost Effective Energy Code 24 CFR 39 on substantial rehabilitation and reconstruction.
11. The contractor must provide a drug-free workplace in compliance with the Rehabilitation Act of 1973 as amended.
12. HUD Accessibility Standards in accordance with Architectural Barriers Act 42 U.S.C. 4151-4157.
13. Americans with Disabilities Act of 1990 (Title 28 of the CFR Part 36).
14. All state and local codes and ordinances.

SECTION III Requirements

1. The work to be performed under this contract is on a project assisted under the State HOME program which provides Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 as amended 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 134 and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
3. The CONTRACTOR will send to each labor organization or representative of workers with which he/she has a collective bargaining agreement or other contact or understanding if any, a notice advising said labor organization or workers' representative of his/her commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The CONTRACTOR will include this Section 3 clause in every subcontract for work in connection with the project and will at the direction of the applicant for or recipient of Federal financial assistance take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development 24 CFR Part 135. The CONTRACTOR will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3 the regulations set forth in 24 CFR Part 135 and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract shall be condition of the Federal financial assistance provided to the project binding upon the applicant or recipient for such assistance its successors and assigns. Failure to fulfill these

requirements shall subject the applicant or recipient its contractors or subcontractors its successors and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided and to such sanctions as are specified by 24 CFR Part 135.

The CONTRACTOR shall comply with the applicable regulations of the Secretary of Labor. United States Department of Labor made pursuant to the so-called "Anti-Kickback Act" of June 13, 1934 (48 Stat. 94B: 62 Stat. 862: Title 18 U.S.C. Section 874 and Title 40 U.S.C.. Section 276c) and any amendments or modifications thereof shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto and shall be responsible for the submission of statements required of subcontractors thereunder except as said Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances and exemptions from the requirements thereof.

The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion, or transfer: recruitment or recruitment advertising; layoff or termination: rates of pay or other forms of compensation: and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by the municipality setting forth the provisions of this non-discrimination clause.

Grievance Procedure

Disputes between the homeowner. Grantee and CONTRACTOR may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties the grievance procedure should be followed.

Issues relating to policies and procedures of the rehabilitation program.

- The grievance by the homeowner or CONTRACTOR is to be filed with the program administrator in writing.
- The program administrator will meet with the homeowner/CONTRACTOR and negotiate a solution if this fails.
- The program administrator will forward the complaint and documentation of his/her attempts to resolve it to the local elected body who shall make a determination.
- If the local elected body is unable to negotiate a solution, the program administrator will contact the Community Programs Division of THDA.

Issues relating to complaints about the performance of the rehabilitation contract should proceed in the following manner.

All claims or disputes between the Owners and Contractor arising out of or related to the work shall be decided by arbitration in accordance with the construction industry arbitration rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise. The Owners and Contractor shall submit all disputes or claims regardless of the extent of the workers progress to (name of arbitrator) unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be filed in writing with the other party to this Remodeling and Construction Agreement and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. If the arbitrator's award is in a sum which is less than that which was offered in settlement by the Contractor the arbitrator

may award costs and attorney's fees in favor of the Contractor. If the award of the arbitrator is in a sum greater than that which was offered in settlement by the Owners, the arbitrator may award costs and attorney's fees in favor of the Owners. The affected parties may institute litigation.

The Grantee should keep documents and records of the grievance procedure. The Grantee may release funds to the CONTRACTOR for items on the work write-up which are completed and undisputed.

No member of the Grantee staff and no officer, employee, or member of the governing body of the Grantee who exercises any functions or responsibilities in connection with the carrying out of the project to which this agreement pertains shall have any private interest, direct or indirect in the agreement.

In the event violation of applicable codes and/or health and safety violations are discovered during construction said violations shall be inspected by the Housing Rehabilitation inspector and OWNER and CONTRACTOR agree to add correction of the code violations and/or health and safety violations if funds are available. In the event funds are not available the violations which are more severe will be corrected first with an appropriate change order.

This instrument constitutes the entire agreement between the parties and no written or oral agreement of any kind exists to change these provisions. Specifically no "side" or "additional" contracts are to exist between the Homeowner and CONTRACTOR until this contract is completed unless it is a written contract signed by both parties and must be approved by the Grantee.

Change orders must be done on the appropriate form (HO-16) and must be signed by the Homeowner, Contractor, and Grantee official. The Tennessee Housing Development Agency must approve any change order in excess of 10% of the original contract price.

SECTION IV Statement of Work

THE CONTRACTOR SHALL:

Perform the work diligently and in a good workmanship manner using the materials specified or materials of at least equal quality.

Be responsible for obtaining all necessary permits for the work to be performed and the work being done or any part thereof shall not be deemed completed until same has been accepted as satisfactory by the Owner or by the Grantee.

Be responsible for when adjacent property is affected or endangered by any work done under this contract taking whatever steps are necessary for the protection of the adjacent property and for notifying the OWNER thereof of such hazard.

Agree not to assign or sublet this contract without the written consent of the OWNER. The request for the assignment shall be addressed to the OWNER c/o the Grantee.

Covenant and agree to and to hereby indemnify and to hold harmless and defend the OWNER, the Grantee and the State of Tennessee their agents, servants or employees, from against any and all claims for injuries or damages to persons or property of whatsoever kind of character whether real or asserted arising out of this agreement of the work to be performed hereunder. The CONTRACTOR hereby assumes all liability and responsibility for injuries, claims or suits for damages to persons or property of whatsoever kind of character whether real or asserted occurring during the time the work is being performed and arising out of the performance of same.

Agree not to commence work under this agreement until all insurance required under this program has been secured and such insurance required under this program has been secured and such insurance has been approved by the Grantee.

After the receipt of a written proceed order from the OWNER begin the work to be performed under this contract within fifteen (15) calendar days of the date of such order. Upon commencement of work the CONTRACTOR here by agrees to complete the same within_____ days time being of the essence.

Guarantee the improvements for a period of one year from the date of final acceptance of all work required by this contract. It is further agreed that the CONTRACTOR will furnish the OWNER c/o the Grantee with all manufacturers and suppliers written guarantees and warranties covering materials and equipment furnished under this contract.

At all times keep the premises free from accumulations of waste materials or rubbish caused by his employees at work: and at the completion of the work he shall remove all his rubbish from and about the building and all his tools, scaffolding and surplus materials and shall leave his work "broom clean" or its equivalent. It is further agreed that all materials and equipment that have been removed and replaced as part of the work hereunder shall belong to the CONTRACTOR.

Upon completion of work and upon final payment by the OWNER furnish the OWNER with an affidavit certifying that all charges for materials and any other expenses incurred by the CONTRACTOR pertaining to the execution of this contract have been paid in full to the end that no liens of any kind or character (save and except those between the parties hereto) may be affixed against the above described property. Final payment of the contract amount will be made only after final inspection and acceptance of all work to be performed by the CONTRACTOR and the CONTRACTOR's satisfactory releases of liens or claims for liens by the CONTRACTOR, subcontractor, laborers, and materials suppliers.

Further on completion of all construction work a Notice of Completion shall be filed at the County Register Deeds as required by State law and a registered copy of the document submitted to the Grantee.

Maintain accounts and records including personnel, property, and financial records adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the locality to assure proper accounting for all funds. These records will be available for audit purposes to the locality or the State or any other authorized representative and will be retained for three years after contract completion unless permission to destroy them is granted by the locality. Moreover the locality, State or any authorized representative shall have access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

THE OWNER SHALL:

Not permit any changes or additions to the agreement work write-up or plans without approval of the Grantee. If any extras are approved an amendment must be signed by the OWNER and the CONTRACTOR.

Cooperate with the CONTRACTOR to facilitate the performance of the work including the removal and replacement of rugs, coverings, and furniture as necessary.

Permit the CONTRACTOR to use at no cost existing utilities such as light, heat, power, and water necessary to the carrying out and completion of the work.

Agree to occupy the premises during the course of the construction work.

Agree to issue a written proceed order to the CONTRACTOR within ten (10) days from the date of execution of the contract.

Have the option in the event of any breach of this contract and with the Grantee approval to engage the services of another CONTRACTOR to complete the work and to deduct the cost of such completion from any amount due the CONTRACTOR hereunder.

Agree to place the rehabilitation funds in a housing rehabilitation account as arranged by the Grantee and understands that no interest will accrue on the monies placed into the account.

Agree to allow payment in full to the CONTRACTOR from the account subject to the Grantee's acceptance of the Housing Rehabilitation work as satisfactorily completed in accordance with this Contract.

SECTION V Method and Form of Payment

The CONTRACTOR shall upon completion of the work and before final payment by the OWNER furnish the OWNER with an affidavit certifying that all charges for

Materials and any other expenses incurred by the CONTRACTOR pertaining to the execution of this contract have been paid in full. To the end that no liens of any kind or character (save and except those between the parties hereto) may be affixed against the above described property. Final payment of the contract amount will be made only after final inspection and acceptance of all work to be performed by the CONTRACTOR and the satisfactory releases of liens or claims for liens by the CONTRACTOR, subcontractors, laborers, and material suppliers.

SECTION VI Conflict of Interest

No officer or employee of the local jurisdiction or its designees or agents no member of the governing body and no other public official of the locality who exercises any function or responsibility with respect to this contract or the proceeds thereof for work to be performed. Further, the CONTRACTOR shall cause to be incorporated in all subcontractors the language set forth in this paragraph prohibiting conflict of interest.

IN WITNESS WHEREOF the parties have by their duly authorized representatives set out their signatures.

(CONTRACTOR)

(OWNER)

(SIGNATURE)

(SIGNATURE)

DATE

DATE

WITNESSED BY

WITNESSED BY

EXHIBIT A

Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)

(1) As used in these specifications:

- a. "Covered area" means the geographical area described in the solicitation from which this contract issued;
- b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;
- c. "Employer identification number" means the federal Social Security number used on the Employers Quarterly Federal Tax Return. U. S. Treasury Department Form 941;
- d. Minority includes:
 - (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin;
 - (ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race);
 - (iii) Asian and Pacific Islander (all persons having origins in any of the original people of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
 - (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North American and maintaining identifiable tribal affiliations through membership and participation

(2) Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

(3) If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractors or Subcontractors's failure to take good faith efforts to achieve the Plan goals and timetables.

(4) The Contractor shall implement the specific affirmative action standards provided in paragraphs (7)a through p of these specifications. The goals set forth in the solicitation form which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing contracts in geographical areas where they do not have a Federal or Federally-assisted construction contract shall apply the minority and female goals established for the geographic area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any

Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

- (5) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women, shall excuse the Contractor's obligations under these specifications. Executive Order 11246, or the regulations promulgated pursuant thereto.
- (6) In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.
- (7) The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:
 - a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations responses.
 - c. Maintain a current file on the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individuals. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the Contractor may have taken.
 - d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.
 - e. Develop on-the-top training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources complied under (7)b above.
 - f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper; annual report, etc.; by specific review of the policy with

all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

- g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
 - h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.
 - i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date of the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
 - j. Encourage present minority and female employees to recruit other minority persons and women, and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.
 - k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.
 - l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
 - m. Ensure that seniority practices, job classification work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.
 - n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
 - p. Conduct a review, at least annually, of all supervisors adherence to and performance under the Contractor's EEO policies and affirmative action obligations.
- (8) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7)a through p. The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under (7)a through p of these

Specifications provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation shall not be a defense for the Contractor's non-compliance.

- (9) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).
- (10) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.
- (11) The Contractor shall not enter into any Subcontracts with any person or firm debarred from Government contracts pursuant to Executive Order 11246.
- (12) The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.
- (13) The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (7) of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulation, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.
- (14) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit records relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee identification numbers, social security number, race, sex, status (e.g., mechanic, apprentice trainee, helper or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractor shall not be required to maintain separate records.
- (15) Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

PROPERTY OWNER/REHAB CONTRACTOR CONTRACT ADDENDUM FOR REDUCTION OF LEAD PAINT HAZARDS

Article I - Contract Document

This document shall be attached to the Property Owner/Rehab Contractor Contract and is hereby incorporated therein. In the event of a conflict among contract documents, the provisions in this addendum shall prevail over all others.

Article II – Scope of Services

All lead-based paint activities performed, including waste disposal, shall be in accordance with applicable Federal, State, or local laws, ordinances, codes or regulations governing evaluation and hazard reduction. In the event of discrepancies, the most protective requirements prevail. These requirements can be found in: OSHA 29 CFR 1926-Construction Industry Standards, 29 CFR 1926.62-Construction Industry Lead Standards, 29 CFR 1910.1200-Hazard Communication, 40 CFR Pt.261-EPA Regulations, HUD Title X parts 1012-1013.

The use of paint containing more than 0.06 percent dry weight of lead on any interior or exterior surface is prohibited.

The level of lead hazard reduction is determined by the level of federal assistance. That calculation is attached to this contract as Exhibit A and incorporated herein. For work up to and including \$5,000, safe work practices must be used for all rehabilitation activities, and paint disturbed during the work must be repaired. For work over \$5,000 up to and including \$25,000, interim controls must be performed on the hazards identified by the risk assessment and paint disturbed during the rehabilitation must be repaired **or** standard treatments must be carried out for the entire unit. For work over \$25,000, surfaces painted with lead-based paint that are disturbed during rehabilitation and hazards identified by the risk assessment all must be abated. Interim controls may be performed on exterior surfaces if those surfaces are not undergoing rehabilitation.

Article III – Worker Protection and Prohibited Methods

Workers shall be provided with a pre-employment physical to determine blood lead level and ability to wear appropriate respirator protection. Workers shall also be provided with a changing area equipped with washing facilities and protective clothing. All safe work practices shall be used.

The following methods shall not be used to remove paint that is, or may be, lead-based paint:

1. Open flame burning or torching;
2. Machine sanding or grinding without a high-efficiency particulate air (HEPA) local exhaust control;
3. Abrasive blasting or sandblasting without HEPA local exhaust control;
4. Heat guns operating above 1100 degrees Fahrenheit or charring the paint;
5. Dry sanding or dry scraping, except dry scraping in conjunction with heat guns or within 1.0 ft. (.030m.) of electrical outlets, or when treating defective paint spots totaling no more than 2 sq. ft.

Ft. (0.02 sq. m.) in any one interior room or space, or totaling no more than 20 sq. ft (2.0 sq. m.) on exterior surfaces; and

6. Paint stripping in a poorly ventilated space using a volatile stripper that is a hazardous substance in accordance with regulations of the Consumer Product Safety Commission and/or a hazardous chemical in accordance with the Occupational Safety and Health Administration regulations.

Article IV – Records

Records must be kept of each evaluation, clearance or hazard reduction report for at least three years.

Article V – Fines

The Contractor is fully responsible for the means and methods of executing the scope of work. Therefore, the Contractor and Subcontractor agree to hold the Owner and the City harmless in the event of any fines from federal or local agencies controlling the lead hazard reduction work. The Contractor or Subcontractor agree to immediately (within 30 days) satisfy any and all fines or judgments presented by OSHA, EPA, the local or state health department, the state office of lead hazard control and any other governmental agency having jurisdiction over the lead hazard reduction work.

Article VI – Worker Training

All workers involved in lead hazard reduction activities must either be supervised by an EPA or State of Tennessee Abatement Supervisor or have received HUD-approved training in lead-safe work practices prior to commencement of work.

Article VII – Occupant Protection During Lead Hazard Reduction

The Contractor shall provide the City with a copy of the written Occupant Protection Plan as required by 40 CFR Pt. 745.

Actions must be taken to protect occupants from lead-based paint hazards if the units will not be vacant during the rehab project. Occupants may not enter the work site during the lead hazard reduction activities. Reentry is permitted only after such activities are completed and the units have passed a clearance examination. Occupants of the unit do not have to be relocated under the following circumstances:

1. Rehab work will not disturb lead-based paint or create lead-contaminated dust;
2. Hazard reduction activities can be completed within one 8 hour daytime period and the work site is contained to prevent safety, health or environmental hazards;
3. Exterior-only work is being performed where the windows, doors, ventilation intakes and other openings near the work site are sealed during hazard reduction activities, and cleaned afterward, allowing for a lead-safe entry to be maintained;
4. Hazard reduction activities will be completed within 5 calendar days and the work area is sealed, the area within 10 feet of the containment area is cleaned each day, occupants have safe access to sleeping areas, bathroom and kitchen facilities; and occupants are not permitted into the work sites until after clearance has been achieved.

Article VIII – Temporary Relocation During Lead Hazard Reduction

If occupied units are to undergo more extensive lead hazard reduction activities, the occupants must be temporarily relocated. Most often, furniture and occupant belongings can be covered and sealed with protective plastic sheeting, although storage of major furniture and removal of all small furnishings during the hazardous materials reduction work may sometimes be necessary. The Owners/Occupants are responsible for carefully packing all breakables, removing all clothing from closets, and protecting any personal property. During the

hazard reduction work, only workers trained in lead hazard reduction may enter the work site. This means that neither owners nor occupants are permitted to return to the work site during the day or at night. If the Owner/Occupant has special needs to re-enter the site, the City must be contacted. Only when the unit has been cleaned to the federally-mandated standards and passed a clearance examination is it safe and permissible for the Owner/Occupant to return to their home. The City will notify the Owner/Occupant with an Authorization for Re-Occupancy. If work is done in stages, interim dust lead clearance must be obtained prior to re-occupancy by the owners or occupants and other non-lead related rehabilitation workers. Final lead dust clearance must be repeated following the rehabilitation work to verify that the residence is free of lead hazards.

If needed, there shall be an allowance for relocation costs of \$_____ per week for owner occupants. The Federal Uniform Relocation Act for temporary relocation costs will apply when tenants are required to relocate. Payment will be made once costs/expenses are verified. The total allowance has been made part of this contract and based upon the time designated in the bid for lead hazard removal.

Article IX – Worksite Preparation and Containment

The worksite shall be prepared to prevent the release of leaded dust, and contain lead-based paint chips and other debris from hazard reduction activities within the worksite until they can be safely removed. Practices that minimize the spread of leaded dust, paint chips, soil and debris shall be used during worksite preparation.

All objects that cannot be moved (cabinets, appliances, built-in furniture) shall be covered with plastic sheeting at least 6 mils thick taped securely in place. Floors in the worksite shall also be covered with plastic sheeting at least 6 mils thick sealed with tape.

Article X – Cleaning Up and Clearance

The contractor shall keep the premises clean and orderly during the course of the work and all debris shall be removed on a continuous daily basis and not be allowed to accumulate.

All exposed interior surfaces shall be cleaned using a HEPA vacuum and wet washed with a detergent solution and clean water rinse to reduce the lead content.

Clearance may not be performed sooner than one hour after completion of the final cleanup. Clearance dust sampling is for settled leaded dust and is a two-phase process. The initial clearance evaluation is a Visual Examination done by the City followed by "environmental sampling" for leaded dust.

1. The visual examination determines that the work on all interior and exterior surfaces to be treated was completed, that there are no deteriorated paint surfaces, and that no visible settled dust or debris is present in interiors and within 10 feet of exterior walls if exterior work was performed.
2. Environmental sampling involves dust sampling on the interior work area. The clearance examiner may decide that exact sampling scheme based on the type of treatment(s), visual observation, and professional judgment.
3. Clearance samples must determine the lead dust levels of the work site prior to re-occupancy.
4. Clearance must be performed by an individual who is independent from the Contractor hired to do the work. The following dust lead clearance thresholds must be met:
 - a. Floors - 40 IIg/ft²
 - b. Interior window sills – 250 IIg/ft²
 - c. Exterior window troughs – 400 IIg/ft²

5. Clearance must be performed by an EPA or State certified Risk Assessor, Lead Paint Inspector or a Clearance Technician.
6. If a component, such as a floor, fails the clearance dust standard, the floor in the room that failed must then be re-cleaned. A clearance dust sample must then be taken. The first clearance cost was made part of the total cost of rehabilitation. All subsequent cleaning and clearances costs shall be the sole responsibility of the Contractor.

Article XI – Handling of Lead Wastes/Disposal

The Contractor is solely responsible for complying with federal and state requirements for the safe handling of lead wastes and the disposal thereof.

Article XII – Owner Responsibilities

Owners shall provide utilities, sanitary facilities, and fire insurance.

Owners shall be responsible for monitoring potential hazards, repairing damaged surfaces, and maintaining the property to prevent hazards from occurring after occupancy.

IN WITNESS WHEREOF, the parties hereto execute this Addendum to the Contract

Contractor:

Name

Signature of contractor

Date

Witness:

Acceptance by Owner:

Name

Signature of Owner

Date

CONTRACTOR'S CERTIFICATION OF ELIGIBILITY TO PARTICIPATE

This certification is required pursuant to 24 CFR Section 24.510(b). It shall be completed, signed and submitted as part of the bid proposal.

The prospective bidder certifies by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Firm: _____

BY: _____
(Name Typed or Printed)

Contractor's Signature

Date

NOTICE OF RIGHT OF RECISSION

(Identification of Transaction)

Notice to Customer Required by Federal Law: _____

(Date Notice Given to Customer)

You have entered into a transaction on _____ which will result in a lien being placed on your property for a period of at least five years. You have a legal right under federal law to cancel this transaction within three business days from the above date without penalty or obligation. If you desire to do so, this transaction and any lien on your property arising from this transaction is automatically void. If you decide to cancel this transaction, you may do so by notifying _____ (Name of Creditor) at _____

(Address of Creditor's Place of Business)

by mail or telegram sent no later than midnight of _____. You may also use any other form of written notice identifying the transaction if it is delivered to the above address not later than that time. This notice may be used for that purpose by dating and signing below.

I hereby cancel this transaction

(Date)

(Customer's Signature)

Receipt is herewith acknowledged of the foregoing NOTICE, each of the undersigned CUSTOMERS having received two copies thereof. The undersigned warrant that they are all Customers obligated under this transaction who own or use as their principal residence the real property securing said obligation; this _____ day of _____, 19____.

Signature

Signature

EFFECT OF RECISSION. When a customer exercises his right to rescind he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the creditor shall return to the customer any money or property given as earnest money, down payment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under this transaction. If the creditor has delivered any property to the customer, the customer may retain possession of it. Upon the performance of the creditor's obligations under this section, the customer shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the customer shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the customer at the option of the customer. If the creditor does not take possession of the property within 10 days after tender by the customer, ownership of the property vests in the customer without obligation on his part to pay for it.

NOTICE TO PROCEED

DATE: _____

CASE NO. _____

You are hereby notified to commence work at _____ in reference to the contract dated _____, on or before _____ for rehabilitation on property at the above address.

Pursuant to the provisions to the contract referenced, you are hereby give Notice to Proceed with the work. This Notice establishes that all efforts will be undertaken to complete within _____ calendar days of the date of this Notice. The date of completion of all WORK is therefore _____.

Please acknowledge receipt of this Notice to Proceed as provided below and return the original signed copy to the Grantee at _____ or to the Grantee's HOME Program Administrator.

Homeowner

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE TO PROCEED is hereby acknowledged by _____ this _____ day of _____, 19____.

Contractor

Title

Grantee Representative

Date

CHANGE ORDER

DATE: _____

CHANGE ORDER NUMBER: _____

TO: *(Contractor)*

FROM: *(Homeowner)*

PROPERTY ADDRESS: _____

DESCRIPTION OF CHANGES:

The original Contract sum was \$ _____

Net change by previous Change Orders \$ _____

The Contract Sum prior to this Change Order was \$ _____

The Contract Sum will be increased/decreased by this Change Order \$ _____

The new Contract Sum, including this Change Order, will be \$ _____

The Contract Time will be extended _____ by _____ days.

CONTRACTOR

HOMEOWNER

BY: _____

BY: _____

APPROVAL:

PROGRAM ADMINISTRATOR

INSPECTION OR PUNCHLIST REPORT

DATE: _____

CASE NO. _____

OWNER: _____

PROPERTY ADDRESS: _____

DATE INSPECTED: _____
Month Day Year

GENERAL STATUS OF WORK:

DISCREPANCIES NOTED (IF ANY):

SIGNATURE OF INSPECTOR

PROGRAM ADMINISTRATOR

DATE

PUNCHLIST LETTER

DATE: _____

OWNER: _____

PROPERTY ADDRESS: _____

RE: PUNCH LIST

Dear

I am enclosing the final punch items on the above referenced project. Please make the necessary corrections within fifteen (15) days of the date of this letter. After corrections have been completed, please contact _____ for a reinspection.

If you have any further questions, please contact me at _____.

Sincerely,

(Program Administrator)

FINAL INVOICE, RELEASE OF LIENS AND WARRANTY

DATE: _____

CASE NO. _____

RE: Property located at: _____

Contract Dated: _____

Total Contract Amount \$ _____

KNOW ALL ME BY THESE PRESENT:

1. As a final invoice, the undersigned hereby certifies that there is due from and payable by the Owner to the Contractor under the above contract and duly approved change orders and modifications, if any, the balance of \$ _____.
2. The undersigned further certifies that work required under this contract has been performed in accordance with the terms thereof, and there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this contract.
3. That in consideration of the payment of the amount stated in Paragraph 1 hereof, the undersigned does hereby release the Owner from any and all claims arising under or by virtue of this contract.
4. The undersigned hereby guarantees the work performed for a period of one year from the date of owner's acceptance of all the work required by the contract. He also attaches herewith all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the contract.

IN WITNESS WHEREOF, the undersigned has signed and sealed this instrument this _____ day of _____, 20____.

WITNESS:

CONTRACTOR:

BY: _____

RECEIPT OF FINAL PAYMENT

DATE: _____

CASE NO. _____

I, _____, as Contractor/Supplier responsible for provision of goods and/or services under the above referenced Contract, do hereby acknowledge receipt of \$ _____, which constitutes the full amount due and payable to me.

DATE

FIRM NAME

BY: _____

WITNESS

CONTRACTOR'S NON-KICKBACK CERTIFICATION
--

DATE: _____

CASE NO. _____

TO: (Grantee)
(Grantee Location), Tennessee

RE: Property located at: _____

Contract Dated: _____ Contract Amount \$_____

Contractor: _____

KNOW ALL ME BY THESE PRESENT:

That as a Contractor responsible for provision of goods and/or services under the above mentioned contract, I nor my company were forced or encouraged to forfeit any portion of the contract amount in order to be employed as contractors on this job.

Contractor

BY: _____

Date

WITNESS

<p align="center">CALCULATION OF AFTER REHABILITATION PROPERTY VALUES FOR HOMEOWNER REHABILITATION PROJECTS</p>
--

- | | | |
|----|--|----------|
| 1. | Appraised Property Value
(Provide statement from the County Tax Assessor) | \$ _____ |
| 2. | Cost of Rehabilitation
(Total of Rehabilitation Contract) | \$ _____ |
| 3. | Soft Costs | \$ _____ |
| 4. | After Rehabilitation Property Value (1 + 2+3) | \$ _____ |
| 5. | Maximum After Rehabilitation Value for
_____ County from Attachment IV | \$ _____ |

I hereby certify that the after rehabilitation value of this unit will not exceed the HOME limits.

Program Administrator

Date: _____

**GRANT NOTE
HOME PROGRAM**

\$ _____,
Tennessee _____, 20__

On _____ demand _____ after _____ date, _____ for _____ value _____ received _____ and _____ hereby _____ acknowledged, _____ and _____ jointly and severally (collectively, "Maker"), promise to pay to the order of _____ ("Holder") the principal sum of _____ and 00/100 Dollars (\$ _____), in legal tender, with interest thereon from date at zero percent (0%) per annum. Principal shall be payable at the offices of Holder or such other place as Holder may designate.

- A. So long as there is no default with respect to the conditions set forth herein, the principal sum due and payable under this Grant Note shall be reduced annually as follows:
1. The first reduction of _____ percent (____%) of the original principal sum due under this Grant Note shall occur on the date that is one (1) year from the date hereof, so long as the conditions set forth herein are met.
 2. Subsequent annual reductions, each in the amount of _____ percent (____%) of the original principal sum due under this Grant Note, shall occur in each subsequent year on the same month and day as the first reduction, so long as the conditions set forth herein are met.
- B. Holder agrees not to make demand for payment under this Grant Note so long as the following conditions are met:
1. The funds advanced hereunder are initially used in accordance with the rules and regulations of the Home Investment Partnership Program set forth in 24 CFR Part 92, as subsequently amended (the "HOME Regulations") and that certain agreement between Holder and the Tennessee Housing Development Agency ("THDA") dated _____, 20__.
 2. The Property is occupied by Maker as Maker's principal residence for _____ (____) years from the date hereof (the "Compliance Period").
 3. In the event of Maker's death during the Compliance Period, if Maker's heir or heirs occupy the Property as their principal residence, such heir or heirs will be deemed to meet HOME Regulations for purposes of determining income and the Compliance Period shall continue so long as all other terms and conditions of this Grant Note are fulfilled. If Maker's heir or heirs sell, lease or otherwise transfer all or any part of this Property, all amounts outstanding hereunder shall be immediately due and payable.
 4. Maker complies in all respects with the deed of trust given by Maker to Holder, dated the same date as this Grant Note, which conveys title to certain property owned by Maker located at _____ (the "Property").

This Grant Note shall be immediately due and payable upon the sale or transfer of all or any interest in the Property, except as set forth in number 3 above.

In the event of a default hereunder, Holder shall, at any time thereafter, be entitled, but not required, to demand payment of all amounts due under this Grant Note as of the date of default. Amounts not paid upon demand shall bear interest at the maximum lawful rate from the date of demand until the date payment is received. Should efforts be made to collect this Grant Note, or any part of the indebtedness evidenced hereby, by law or through an attorney, Maker shall pay all reasonable attorney's fees, all court costs and all costs of collection upon demand. Any failure on the part of Holder to exercise its rights hereunder shall not, in any event, be considered a waiver of any such rights nor shall such failure preclude Holder from exercising such rights at any time. Maker hereby waives all rights of protest, notice of demand, protest and demand, notice of protest, presentment, demand, dishonor and non-payment.

MAKER:

THIS INSTRUMENT PREPARED BY:

The maximum principal indebtedness for
Tennessee recording tax purposes is
\$ _____

**DEED OF TRUST
HOME PROGRAM**

THIS DEED OF TRUST is made and entered into as of this ____ day of _____,
20__, by and between _____, whose address is
_____, ("Property Owner"),
_____ and his successors and assigns (collectively,
"Trustees"); and _____, a political subdivision and
instrumentality of the State of Tennessee, whose address is
_____ ("Local Government").

RECITALS

Local Government has agreed to make funds available to the Property Owner through the HOME Investment Partnership Program (the "HOME Program") pursuant to the regulations and program requirements in connection therewith (the "HOME Program Requirements") for the rehabilitation of that certain single family, owner occupied housing unit located at _____, Tennessee, as conveyed to Property Owner by deed of record in Book _____, page _____, in the Register's Office for _____ County, Tennessee, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property"); and

Property Owner is a person or family of low or very low income as defined in the HOME Program Requirements; and

Property Owner desires to secure to Local Government the payment of all indebtedness of the Property Owner relating to the Property under the HOME Program and the due and punctual performance by Property Owner of each and every covenant, condition and agreement made by Property Owner in connection with the Property and the HOME Program.

NOW THEREFORE; for and in consideration of One Dollar (\$1.00) cash in hand paid, the receipt of which is acknowledged, and the other considerations hereinafter mentioned, Property Owner, does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property.

TO HAVE AND TO HOLD the Property with the appurtenances, estate, title, and interest thereto belonging to Trustees in trust forever.

But, this conveyance is made IN TRUST for the following uses and trusts, and for no other purpose, to wit: to secure to Local Government payment of the indebtedness evidenced by that certain promissory note of even date ("HOME Note") made by the Property Owner, payable to the order of Local Government in the principal sum of _____ Dollars, (\$_____), any modification thereafter, and any note given in substitution for or upon any renewal or extension of the HOME Note.

Pursuant to the provisions of T.C.A. Section 66-11-108, Local Government does not consent to the priority of any contract, whether now in existence or hereafter entered into, for the making of improvements upon the Property, over the lien of this Deed of Trust; provided, however, Local Government acknowledges and agrees that this Deed of Trust is subject and subordinate, in all respects, to the lien, terms, covenants and conditions of that certain deed of trust of record in Book _____, page _____, in said Register's Office (the "First Deed of Trust").

As part of the consideration for the execution of this instrument, and of the indebtedness secured hereunder, Property Owner agrees:

1. To pay to Local Government the outstanding principal of the HOME Note, and all interest thereon, and all other sums due thereunder, as and when the same shall become due as provided therein.
2. To retain title to the Property, and not to convey the same or any interest in the same, without the prior consent, in writing, of Local Government. If any or all of the Property, or any interest in it, is sold, leased or otherwise transferred or conveyed, or if any encumbrance affects the Property, without the prior written consent of Local Government, Local Government may, at its option, require immediate payment of all amounts due under the HOME Note and all amounts secured by this Deed of Trust.
3. To perform all obligations under the First Deed of Trust in accordance with its terms.

Now, if the Property Owner shall pay said indebtedness, and all installments thereof, including both principal and interest, when due, according to the terms of the HOME Note, and if the Property Owner shall keep and perform each of the other covenants and agreements herein contained, then, this trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to pay said

indebtedness, or any part or installment thereof, or any interest thereon, when due, or if the Property Owner shall fail to keep and perform any of the other covenants and agreements herein contained, or if the Property Owner shall make an assignment for the benefit of creditors, or should a receiver, liquidator, or trustee of the Property Owner, or of any of the Property Owner's property, be appointed, or should any petition in bankruptcy, or for the reorganization or arrangement of the Property Owner pursuant to the Federal Bankruptcy Code, or any statute, federal or state, similar thereto, be filed by or against the Property Owner, and such defaults are not cured within ten (10) days from written notice to Property Owner specifying such default, then, and in any of such events, this trust conveyance shall remain in full force and effect, and at the option of the Local Government, all remaining unpaid indebtedness shall become due and payable at once, without notice, and the Trustee, acting in person or through an agent or agents duly appointed by him for this purpose, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in the county in which the Property is located, to sell the Property at the front door of the Courthouse in said county (or at such other place at said Courthouse as is usually and customarily used for the conduct of foreclosure sales) to the highest bidder for cash, at public outcry, free from the equity of redemption, any and all statutory rights of redemption including, without limitation, those provided in T.C.A. Section 66-8-101, as amended, or as may be hereinafter enacted, homestead, dower, courtesy, any elective share, and all other exemptions or marital rights of every kind, which are hereby expressly waived; and the Trustee is authorized and empowered to execute and deliver a deed to the purchaser. The sale may be adjourned from day to day by the Trustee or his agent or successor, by announcement at the Courthouse on the date the sale is originally set, or any adjournment thereof, and may be reset at a later date without any additional publication. The creditor may bid at any sale under this trust conveyance. Property Owner agrees that the Trustee may, at any time after default in the payment of any part of the indebtedness, enter and take possession of the Property, and shall only account for the net rents actually received by him. Property Owner further agrees that, in the event the Trustee fails, before selling the Property as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the Property.

Local Government may, at any time and from time to time, without assigning cause, in Local Government's sole and absolute discretion, remove the Trustee herein named and appoint a successor to execute this trust, by an instrument in writing duly executed by Local Government and filed for record in the county in which the Property is located and, upon the execution and filing of such instrument, the title herein conveyed to the Trustee shall be vested in the successor so appointed.

In the event of a sale of the Property under and by virtue of this trust, the Property Owner, and all persons holding under Property Owner, shall be and become the tenants at will of the purchaser from and after the execution and delivery of a deed to the purchaser.

Upon any sale under this Deed of Trust, the proceeds will be applied by the Trustee:

First: To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust, or in connection therewith as above provided.

Second: To pay the outstanding indebtedness, or any balance thereof, then remaining unpaid.

Third: To pay the remainder, if any, to Property Owner, or Property Owner's order.

Wherever used herein, the singular number shall be deemed to include the plural, and vice versa, and the masculine gender shall be deemed to include the feminine or neuter, and vice versa. In addition, the word "Property Owner" shall be deemed to include not only the Property Owner specifically named in this Deed of Trust, but also all successors of such Property Owner in title to the Property.

IN WITNESS WHEREOF, the Property Owner has executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

NAME: _____

STATE OF _____)

COUNTY OF _____)

Before me, _____ a Notary Public of the state and county mentioned, personally appeared _____, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he executed the foregoing instrument for the purpose therein contained.

Witness my hand and seal, at office, this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

EXHIBIT A

(attach property description)

THIS INSTRUMENT PREPARED BY:

The maximum principal indebtedness for
Tennessee recording tax purposes is
\$ _____

**DEED OF TRUST
HOME PROGRAM**

THIS DEED OF TRUST is made and entered into as of this ____ day of _____,
20__, by and between _____, whose address is
_____, ("Property Owner"),
_____ and his successors and assigns (collectively,
"Trustees"); and _____, a Tennessee not for profit
corporation, whose address is _____ ("Non-Profit").

RECITALS

Non-Profit has agreed to make funds available to the Property Owner through the HOME Investment Partnership Program (the "HOME Program") pursuant to the regulations and program requirements in connection therewith (the "HOME Program Requirements") for the rehabilitation of that certain single family, owner occupied housing unit located at _____, Tennessee, as conveyed to Property Owner by deed of record in Book _____, page _____, in the Register's Office for _____ County, Tennessee, as more fully described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property"); and

Property Owner is a person or family of low or very low income as defined in the HOME Program Requirements; and

Property Owner desires to secure to Non-Profit the payment of all indebtedness of the Property Owner relating to the Property under the HOME Program and the due and punctual performance by Property Owner of each and every covenant, condition and agreement made by Property Owner in connection with the Property and the HOME Program.

NOW THEREFORE; for and in consideration of One Dollar (\$1.00) cash in hand paid, the receipt of which is acknowledged, and the other considerations hereinafter mentioned, Property Owner, does hereby grant and convey unto the Trustees in trust, with power of sale and with General Warranty, the Property.

TO HAVE AND TO HOLD the Property with the appurtenances, estate, title, and interest thereto belonging to Trustees in trust forever.

But, this conveyance is made IN TRUST for the following uses and trusts, and for no other purpose, to wit: to secure to Non-Profit payment of the indebtedness evidenced by that certain promissory note of even date ("HOME Note") made by the Property Owner, payable to the order of Non-Profit in the principal sum of _____ Dollars, (\$_____), any modification thereafter, and any note given in substitution for or upon any renewal or extension of the HOME Note.

Pursuant to the provisions of T.C.A. Section 66-11-108, Non-Profit does not consent to the priority of any contract, whether now in existence or hereafter entered into, for the making of improvements upon the Property, over the lien of this Deed of Trust; provided, however, Non-Profit acknowledges and agrees that this Deed of Trust is subject and subordinate, in all respects, to the lien, terms, covenants and conditions of that certain deed of trust of record in Book _____, page _____, in said Register's Office (the "First Deed of Trust").

As part of the consideration for the execution of this instrument, and of the indebtedness secured hereunder, Property Owner agrees:

1. To pay to Non-Profit the outstanding principal of the HOME Note, and all interest thereon, and all other sums due thereunder, as and when the same shall become due as provided therein.
2. To retain title to the Property, and not to convey the same or any interest in the same, without the prior consent, in writing, of Non-Profit. If any or all of the Property, or any interest in it, is sold, leased or otherwise transferred or conveyed, or if any encumbrance affects the Property, without the prior written consent of Non-Profit, Non-Profit may, at its option, require immediate payment of all amounts due under the Home Note and all amounts secured by this Deed of Trust.
3. To perform all obligations under the First Deed of Trust in accordance with its terms.

Now, if the Property Owner shall pay said indebtedness, and all installments thereof, including both principal and interest, when due, according to the terms of the HOME Note, and if the Property Owner shall keep and perform each of the other covenants and agreements herein contained, then, this

trust conveyance shall be of no further force or effect. But, if the Property Owner shall fail to pay said indebtedness, or any part or installment thereof, or any interest thereon, when due, or if the Property Owner shall fail to keep and perform any of the other covenants and agreements herein contained, or if the Property Owner shall make an assignment for the benefit of creditors, or should a receiver, liquidator, or trustee of the Property Owner, or of any of the Property Owner's property, be appointed, or should any petition in bankruptcy, or for the reorganization or arrangement of the Property Owner pursuant to the Federal Bankruptcy Code, or any statute, federal or state, similar thereto, be filed by or against the Property Owner, and such defaults are not cured within ten (10) days from written notice to Property Owner specifying such default, then, and in any of such events, this trust conveyance shall remain in full force and effect, and at the option of the Non-Profit, all remaining unpaid indebtedness shall become due and payable at once, without notice, and the Trustee, acting in person or through an agent or agents duly appointed by him for this purpose, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications in any newspaper, daily or weekly, published in the county in which the Property is located, to sell the Property at the front door of the Courthouse in said county (or at such other place at said Courthouse as is usually and customarily used for the conduct of foreclosure sales) to the highest bidder for cash, at public outcry, free from the equity of redemption, any and all statutory rights of redemption including, without limitation, those provided in T.C.A. Section 66-8-101, as amended, or as may be hereinafter enacted, homestead, dower, courtesy, any elective share, and all other exemptions or marital rights of every kind, which are hereby expressly waived; and the Trustee is authorized and empowered to execute and deliver a deed to the purchaser. The sale may be adjourned from day to day by the Trustee or his agent or successor, by announcement at the Courthouse on the date the sale is originally set, or any adjournment thereof, and may be reset at a later date without any additional publication. The creditor may bid at any sale under this trust conveyance. Property Owner agrees that the Trustee may, at any time after default in the payment of any part of the indebtedness, enter and take possession of the Property, and shall only account for the net rents actually received by him. Property Owner further agrees that, in the event the Trustee fails, before selling the Property as herein provided, to enter and take possession thereof, the purchaser shall be entitled to immediate possession thereof upon the delivery to him by the Trustee of a deed for the Property.

Non-Profit may, at any time and from time to time, without assigning cause, in Non-Profit's sole and absolute discretion, remove the Trustee herein named and appoint a successor to execute this trust, by an instrument in writing duly executed by Non-Profit and filed for record in the county in which the Property is located and, upon the execution and filing of such instrument, the title herein conveyed to the Trustee shall be vested in the successor so appointed.

In the event of a sale of the Property under and by virtue of this trust, the Property Owner, and all persons holding under Property Owner, shall be and become the tenants at will of the purchaser from and after the execution and delivery of a deed to the purchaser.

Upon any sale under this Deed of Trust, the proceeds will be applied by the Trustee:

First: To pay all the costs and charges of executing this trust, including attorney's fees and the expenses of any litigation which may arise on account of the execution and enforcement of this trust, or in connection therewith as above provided.

Second: To pay the outstanding indebtedness, or any balance thereof, then remaining unpaid.

Third: To pay the remainder, if any, to Property Owner, or Property Owner's order.

Wherever used herein, the singular number shall be deemed to include the plural, and vice versa, and the masculine gender shall be deemed to include the feminine or neuter, and vice versa. In addition, the word "Property Owner" shall be deemed to include not only the Property Owner specifically named in this Deed of Trust, but also all successors of such Property Owner in title to the Property.

IN WITNESS WHEREOF, the Property Owner has executed this Deed of Trust effective as of the date first written above.

PROPERTY OWNER:

NAME: _____

STATE OF _____)

COUNTY OF _____)

Before me, _____ a Notary Public of the state and county mentioned, personally appeared _____, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that (s)he executed the foregoing instrument for the purpose therein contained.

Witness my hand and seal, at office, this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

EXHIBIT A

(attach property description)

CHAPTER ELEVEN

RENTAL HOUSING

1. OVERVIEW

1.1 **ACQUISITION** - If your project involves acquisition, you will need to review Chapter Five - Acquisition. The acquisition files for the project must contain, at a minimum, the following documentation:

1. An independent appraisal of the property;
2. A signed sales contract with addendum;
3. A copy of the final settlement statement; and
4. A copy of the recorded deed.

1.2 **REHABILITATION** - If rehabilitation is involved, review the procedures for a rehabilitation program in Chapter Nine - Homeowner Rehabilitation. At a minimum, the rehabilitation files for the project must contain the following documentation:

1. Rehabilitation work write-up and cost estimate (HO-5B);
2. Lead based paint risk assessment, if applicable;
3. Rehabilitation bid tabulations (HO-7);
4. Contract for Rehabilitation (HO-10);
5. Contractor's certification of eligibility to participate (HO-11);
6. Contractor's Non-kickback certification (HO-12);
7. Right of rescission (third-party owners only) (HO-13);
8. Lead based paint notices (signed by tenants) (RH-5);
9. Notice to proceed (HO-15);
10. Change order(s) (HO-16);
11. Inspection reports (HO-17);
12. Final invoice, Release of Liens, and Warranty (HO-19);
13. Receipt of final payment (HO-20);
14. Certification of completion and final inspection (FM-7); and
15. Lead based paint clearance report, if applicable.

- 1.3 **PROJECT WITH 12 OR MORE UNITS (DAVIS-BACON)** - If 12 or more units are involved in the project, review Chapter Seven - Labor Standards for an explanation of the requirements for rehabilitating or constructing 12 or more units. The project record must contain the following:
1. Copy of Wage Rate Request (LB-1);
 2. Copy of the Wage Rate;
 3. Bid/Contract Documents with Federal Labor Standards Provisions (LB-2);
 4. Ten-day call verification (LB -4);
 5. Pre-construction conference minutes/sign-in sheet (LB-5);
 6. Payrolls, with evidence of their review (LB-6);
 7. Employee interviews (LB-7); and
 8. If any violations, evidence of the steps taken to resolve them.
- 1.4 **THIRD-PARTY RENTAL PROGRAMS** – If a Grantee is using HOME funds to make matching grants to local property owners (third-party owners) to rehabilitate rental properties, the Grantee must ensure the following:
1. Grantees must execute Subrecipient Working Agreements with all third-party owners (See RH-8 for an example);
 2. Owners that contract for construction/rehabilitation services and/or architectural/inspection services must follow the required state and local procurement standards for any activity for which HOME funds will be requested; and
 3. Owner/Contractors must also procure for services and materials provided by other companies and provide a budget/cost summary and detailed documentation (invoices/receipts, etc.) of all expenses prior to requesting any HOME reimbursement.

2. DEVELOPING PROGRAM POLICIES AND PROCEDURES

- 2.1 **INTRODUCTION** - Your jurisdiction or organization must formally adopt a set of Policies and Procedures for the operation of the HOME program. These will serve as the guidelines for the day-to-day operation of the program. If applicants are aware of the goals of the program, its limitations and the way the program will be handled on a day-to-day basis, many potential problems and misunderstandings can be eliminated.

This manual includes a "Sample Set of Policies and Procedures" (RH-1). Grantees may wish to use these as a guide, adopt them in whole or in part. Grantees must address in some fashion all of the essential topics, and the policies and procedures must be approved by THDA before adoption by the Grantee's governing board.

- 2.2 **PURPOSE** - Describe the goals of the program and what activities will be undertaken to meet those goals.
- 2.3 **AUTHORITY** - Indicate what legal authority - Federal, State and local - your program is operating under.
- 2.4 **PROGRAM RESOURCES** - Specify the funds available for the program, their source, and how long they will be available.
- 2.5 **APPLICABLE LAWS** - The local governing body, contractors, subcontractors, vendors and potential applicants for assistance are required to abide by a number of Federal and State laws. THDA will assist you in ensuring compliance and will monitor your program to make sure that you are in compliance. The Grantee must follow the appropriate laws and document their efforts. Failure to do so can have serious repercussions for the program. The following is a list of the applicable laws:
1. Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128 and 24 CFR 92.358
 2. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655), 49 CFR Part 24, and 24 CFR 92.353)
 3. Debarment and Suspension provisions as required by 24 CFR Part 24 and 24 CFR 92.357.
 4. National Environment Policy Act of 1969 (NEPA), 24 CFR Parts 50 and 58, and 24 CFR 92.352.
 5. Equal Opportunity Provisions and Fair Housing, 24 CFR 92.350.
 6. Affirmative Marketing, 24 CFR 92.351.
 7. Lead-based Paint Poisoning Prevention Act, 24 CFR 92.355.
 8. Conflict of Interest Provisions, 24 CFR 85.36 or 24 CFR 84.424, as applicable, and 24 CFR 92.356.
 9. Davis-Bacon Act and Contract Work Hours and Safety Standards Act, and 24 CFR 92.354.
 10. Intergovernmental Review of Federal Programs, Executive Order 12372 and 24 CFR 92.359.
 11. Drug-Free Workplace, 24 CFR part 24, subpart F.
 12. Standard Equal Opportunity Construction Contract Specifications.
 13. Certification of Non-segregated Facilities for Contracts Over \$10,000.
 14. Title VI of Civil Rights Act of 1964 Provisions.
 15. Section 109 of Housing and Community Development Act of 1974 Provisions.
 16. Section 3 Compliance Provisions.

17. Age Discrimination Act of 1975 Provisions.
18. Section 504 Affirmative Action for Handicapped Provisions.
19. And any other Federal requirements as set forth in 24 CFR Part 92, HOME Investment Partnerships Program

2.6 **TENANT SELECTION** – The Policies and Procedures governing the operation of your rental housing program must include written tenant selection policies and criteria that:

1. Are consistent with the purpose of providing housing for low and very low income families;
2. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
3. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as practical; and
4. Give prompt written notification to any rejected applicant of the grounds for any rejection.

2.7 **OWNER SELECTION** – When operating rental programs which provide grants to third-party owners, the Policies and Procedures must also contain written owner/property selection criteria that:

1. Establish the basic threshold requirements for participation in the program;
2. Provide for a publicly advertised process for the selection of owner/applicants by specific criteria, based on a point system, chronological order, some combination of the two, or any other objective, quantifiable method; and
3. Provide prompt written notification to any owner/applicant denied participation of the grounds for the denial.

3. ELIGIBLE ACTIVITIES (92.205)
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3.1 As outlined and defined in Chapter One, Section 2 - Eligible Activities, HOME monies may be used for the following:

1. Rehabilitation of existing units
2. Conversion of non-residential units to residential units
3. Acquisition of existing units and monies for rehabilitation
4. Reconstruction
5. New Construction

4. INELIGIBLE PROPERTIES (92.214)

- 4.1 HOME funds may not be used to assist any of the following types of housing:
1. Public housing units
 2. Properties financed through a HUD-funded Rental Rehabilitation Program
 3. Projects assisted under Title VI of NAHA (Prepayment of Mortgages insured by HUD)
 4. Commercial properties
 5. Provide assistance to a project previously assisted with HOME funds during the period of affordability established under 92.252.
 - a. Additional HOME funds may be committed to a project up to one year after project completion (see 92.502), but the amount of HOME funds in the project may not exceed the maximum per unit subsidy amount established under 92.250.

5. PROPERTY STANDARDS AND SPECIFICATIONS

- 5.1 Rental housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted new construction of multi-family rental units of 3 or more apartments must meet the 2003 International Building Code; new construction or reconstruction of single-family rental units must meet the 2003 International Residential Code for One- and Two-Family Dwellings; and HOME-assisted rehabilitation of rental units must meet the 2003 International Property Maintenance Code.
- 5.2 New construction projects must also meet the 2003 International Energy Conservation Code, published by the International Code Council. Copies of the Energy Code may be obtained at the address below:
- International Code Council
4051 West Flossmoor Road
Country Club Hill, Illinois 60478
(708) 799-2300, ext. 248
- 5.3 All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.
- 5.4 The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and

construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

- 5.5 Site and Neighborhood standards of 24 CFR 983.6(b) apply only to the new construction of rental housing.

6. HOME INVESTMENTS PER UNIT (92.205(c) and 92.250)

- | | | | |
|-----|----------------------|----------|-------------------------|
| 6.1 | MINIMUM HOME DOLLARS | \$ 1,000 | PER UNIT |
| 6.2 | MAXIMUM HOME DOLLARS | \$47,890 | EFFICIENCY LIMIT |
| | | \$54,897 | 1-BEDROOM LIMIT |
| | | \$66,755 | 2-BEDROOM LIMIT |
| | | \$86,358 | 3-BEDROOM LIMIT |
| | | \$94,795 | 4-BEDROOM OR MORE LIMIT |
- 6.3 The maximum amount of HOME funds per project shall be only the amount necessary to make the project financially feasible. THDA will require each grantee to use the information provided by the applicant to underwrite each project and determine the amount of HOME funds needed to make the project feasible.
- 6.4 THDA will review the Rental Housing Feasibility Worksheet (RH-2) to determine that the formula is being applied correctly. THDA may request that the grantee require the applicant seek development funds from a private lender or other source to leverage HOME funds.
- 6.5 The maximum limit applies only to the investment of HOME funds in a property, and neither the use of Federal Low Income Housing Tax Credits nor the provision of HOME-funded tenant-based rental assistance affects these limits.

7. MIXED INCOME DEVELOPMENTS (92.255)

- 7.1 All HOME funds used in conjunction with a mixed income development must be used solely for the benefit of the affordable units in the development.
- 7.2 Housing that accounts for less than 100 percent of the dwelling units in a development qualifies as an affordable unit if the HOME assisted units meet the rent and occupancy requirements of the preceding sections. Each building in a development must contain housing that meets these requirements. Common area costs will be prorated based upon the number of affordable housing units and other units.

8. AFFORDABILITY TERMS (92.252)

- 8.1 HOME-assisted units must remain affordable for varying terms, depending on the amount of HOME funds invested per unit:

ACTIVITY	HOME FUNDS	AFFORDABILITY
Acquisition or rehabilitation of existing housing	Under \$15,000	5 Years
Acquisition or rehabilitation of existing housing	\$15,000 - \$40,000	10 Years
Acquisition or rehabilitation of existing housing	Over \$40,000	15 Years
New construction or acquisition of newly constructed housing		20 Years

EXCEPTION: If FHA mortgage insurance is provided to a HOME project, the term of affordability must equal the length of the FHA-insured mortgage.

- 8.2 HUD considers the date an activity is completed in IDIS to be the starting date of the affordability period.

9. INCOME REQUIREMENTS FOR HOME TENANTS (92.252)

- 9.1 HOME Program requirements with respect to the occupancy and affordability of the units apply at the time HOME assistance is *initially* provided *AND* over an extended period of time.
- 9.2 **INITIAL OCCUPANCY** - During initial occupancy, income requirements of the tenants differ from those in place during the long-term affordability period. Initial occupancy means the first tenants residing in the unit when the project is complete, i.e., the acquisition and rehabilitation are done and the project is rented. Income composition for initial occupancy is as follows:
1. In the case of projects with five or more rental units, or in the case of an owner of multiple one or two unit projects with a total of five or more rental units:
 - a. 20% of the tenants must have annual incomes at or below 50% of median, adjusted for family size, and must pay the low HOME rents;
 - b. 70% of the tenants must have annual incomes at or below 60% of median, adjusted for family size, and may pay the high HOME rents.

(60% of median income is computed by multiplying the family income at 50% of the median, adjusted for family size, by 120%); and

- c. the remaining 10% of the tenants must have annual incomes at or below 80% of median, adjusted for family size, and may pay the high HOME rents.
2. If the 5 or more unit rule does not apply to your project then the tenants may pay the high HOME rents and the income composition *at initial occupancy* is:
 - a. 10% of the tenants must have annual incomes at or below 80% of median, adjusted for family size; and
 - b. 90% of the tenants must have annual incomes at or below 60% of median, adjusted for family size.
3. Grantees must complete and submit to THDA an Initial Occupancy Profile (RH-7) as soon as all the units are occupied. Although there may be a significant time-lag between the renting of the first and last units, this Profile should only reflect the income and rents of the very first tenant in each unit. In cases where HOME assistance has been provided to third-party owners, one form should be completed for each owner.
4. The Rental Housing Completion Reports (FM-9) should reflect the income composition of the very first tenant in the unit and agree with the Initial Occupancy Profile.

9.3 **LONG TERM OCCUPANCY REQUIREMENTS** - After initial occupancy requirements have been met, long term occupancy requirements become effective for the duration of the affordability period, ranging from 5 to 20 years.

1. If the 5 unit rule applies to the project, this long term income targeting is:
 - a. 20% of the tenants must have annual incomes at or below 50% of median, adjusted for family size, and pay the low HOME rents; and
 - b. 80% of the tenants must have annual incomes at or below 80% of median income, adjusted for family size, and may pay the high HOME rents.
2. After initial occupancy, if the 5 unit rule does not apply to the project, all tenants must have annual incomes at or below 80% of median, adjusted for family size, and may pay the high HOME rents for the duration of the affordability period.

SUMMARY OF INITIAL AND LONG TERM OCCUPANCY REQUIREMENTS				
% OF AREA MEDIAN INCOME (AMI)	INITIAL OCCUPANCY (4 OR FEWER UNITS)	INITIAL OCCUPANCY (5 OR MORE UNITS)	LONG TERM OCCUPANCY (4 OR FEWER UNITS)	LONG TERM OCCUPANCY (5 OR MORE UNITS)
AT OR BELOW 50% AMI	---	20% (Must pay Low HOME Rents)	---	20% (Must pay Low HOME Rents)
AT OR BELOW 60% AMI	90% (May pay High HOME Rents)	70% (May pay High HOME Rents)	---	---
AT OR BELOW 80% AMI	10% (May pay High HOME Rents)	10% (May pay High HOME Rents)	100% (May pay High HOME Rents)	80% (May pay High HOME Rents)
ABOVE 80% AMI	Ineligible for initial occupancy	Ineligible for initial occupancy	Must pay 30% of adjusted monthly income	Must pay 30% of adjusted monthly income

- 9.4 HOME-assisted units retain their HOME designation for the entire period of affordability. However, units that are designated as Low HOME rent units and High HOME rent units can, but are not required to, "float" within the HOME-assisted units to maintain compliance with long-term occupancy requirement.
- 9.5 The owner should make every effort to keep the project in compliance during the affordability period by leasing the next available unit to an individual at the income level needed for compliance.
- 9.6 Each year during the period of affordability the owner must re-examine each tenant's annual income to make sure the tenant household remains income eligible for the project.
- 9.7 Tenants who no longer qualify as low income families must pay as rent 30 percent of the family's *adjusted* gross monthly income, as re-certified annually.

10. RENT LEVELS (92.216)

- 10.1 Rents are controlled for the length of the applicable affordability period. These rents are determined on an annual basis by HUD. The HOME rents are based on the current Fair Market Rents (FMRs) and the current Income Limits published by HUD.
- Please note that HOME rent limits are not simply the FMRs used to determine rents for Section 8 certificates or vouchers.*
 - In some instances, the Section 8 rents may be higher than the allowable HOME rents. However, if HOME funds have been invested in the unit, the HOME rents must be used.*

10.2 THDA will provide Grantees the new HOME rents when they become available each year. The published HOME rents include all utilities. *The utilities paid by tenants must be subtracted from the rents provided to determine the maximum allowable rents.*

1. Rents may increase or decrease from year to year. Where rents have increased, an owner may not raise rents in occupied units immediately. Any increase in rent is subject to the existing lease provisions, and the owner must provide the tenants 30 day prior written notice before increasing any rents.
2. Where rents have decreased, an owner is not required to reduce the rents in occupied units immediately. Compliance with the decreased limits may be done at the point in time specified in the lease, or if not specified, customary for periodic (usually annual) adjustments in rent.
3. Regardless of changes in Fair Market Rents and in median income over time, the qualifying rents are not required to be lower than the HOME rent for the project in effect at the time of project commitment, , i.e., the date the project is entered into the Integrated Disbursement Information System (IDIS).

10.3 **HOME RENTS** - HOME rents are not necessarily representative of market conditions. Rather, these rents represent the following:

1. **HIGH HOME RENTS** - The *lesser* of Fair Market Rents for existing units as determined by HUD or 30% of 65% of median income, adjusted for family size. This rent is used for 80% of the HOME units (if the 5 unit rule applies).
2. **LOW HOME RENTS** - This rent is equal to 30% or 50% of median income, adjusted for family size. This rent is used for 20% of the HOME units (if the 5 unit rule applies).
3. If the project has less than 5 rental units, all of the units may rent at the High HOME rent.
4. The High HOME rents and Low HOME rents are maximum rents which can be charged. See Attachment V: HOME Program Rents.

10.5 **MARKET CONDITIONS** - Each Grantee should be aware of the market conditions of the area in which the project is located. Each project should show market feasibility not based upon the High and Low HOME rents, but rather upon area housing markets and HOME occupancy requirements which demand occupancy by low and very low income persons.

Rents shall not exceed the published High and Low HOME rents, adjusted for utility arrangements and bedroom size. *However, because these rents must also be attractive to lower income tenants, actual rents may be lower than the High and Low HOME rents.* Programs should be designed so they take into consideration the market feasibility of projects funded.

11. TENANT LEASE PROTECTIONS (92.253)

- 11.1 The lease, between a tenant and an owner of rental housing assisted with HOME funds, must be for at least ONE year, unless by mutual consent the tenant and the owner agree to a lesser term.
- 11.2 An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms of the lease; for violation of applicable federal, state or local law; or for other good cause.

Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

- 11.3 An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.
- 11.4 Owners may not refuse to lease a HOME-assisted unit to a family which holds a rental certificate (Rental Certificate Program) or a rental voucher (Rental Voucher Program) or a comparable document under the HOME program.
- 11.5 PROHIBITED LEASE TERMS - Certain Lease Terms are prohibited. These include:
1. AGREEMENT TO BE SUED. Agreement by the tenant to be sued, admit guilt, or to a judgement in favor of the owner in a lawsuit brought in connection with the lease.
 2. TREATMENT OF PROPERTY. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with the state law.
 3. EXCUSING THE OWNER FROM RESPONSIBILITY. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.
 4. WAIVER OF NOTICE - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.
 5. WAIVER OF LEGAL PROCEEDINGS - Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties.
 6. WAIVER OF A JURY TRIAL - Agreement by the tenant to waive any right to a jury trial.

7. WAIVER OF RIGHT TO APPEAL COURT DECISION - Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a decision in connection with the lease.
 8. TENANT CHARGEABLE WITH COST OF LEGAL ACTION REGARDLESS OF OUTCOME. Agreement by the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- 11.6 Grantees shall comply with all applicable state statutes, including the Uniform Landlord Tenant Law. The Grantee's attorney, or the area Legal Aid Office, can provide assistance.
- 11.7 Grantees shall also comply with all applicable local ordinances and keep informed about the existence of or changes in such ordinances.

12. RENTAL HOUSING RECORDKEEPING

- 12.1 **PROGRAM RECORDS** - Grantees are responsible for maintaining records that demonstrate that they are operating a rental housing program in compliance with HOME regulations. At a minimum, the program records must include the following:
1. Policies and Procedures for the operation of the rental program which have been adopted by the Grantee's governing board and which are available to all applicants.
 2. Adequate documentation to demonstrate that the tenant selection process was accomplished as stated in the adopted Policies and Procedures.
 3. A current waiting list which includes the application date, eligibility, and date accepted or rejected for a rental unit.
 4. Documentation of the Grantee's efforts to ensure that the composition of the units meets income guidelines.
 5. Documentation that all of the units meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted new construction of multi-family rental units of 3 or more apartments must meet the 2003 International Building Code; new construction or reconstruction of single-family rental units must meet the 2003 International Residential Code for One- and Two-Family Dwellings; and HOME-assisted rehabilitation of rental units must meet the 2003 International Property Maintenance Code. New construction projects must also meet the 2003 International Energy Conservation Code, published by the International Code Council.
 6. Documentation that the Grantee has adopted an Affirmative Marketing Plan and is marketing the rental units according to the plan.
 7. Documentation that the rents for all the units are in compliance with HOME regulations.

12.2 **TENANT RECORDS** - In addition to program records which establish a Grantee's compliance with HOME regulations, there must also be individual tenant records. These files should contain, at a minimum, the following:

1. The tenant's application for a rental unit.
2. Verification of the tenant's income and eligibility within the HOME income limits.
3. Copies of required notices signed by the tenant, i.e., lead-based paint notices and fair housing.
4. A signed 12-month lease for the unit with the required tenant protections.

12.3 **GRANTEE'S ON-GOING OBLIGATIONS FOR RENTAL PROPERTY** – After the project is officially closed out by letter to the Grantee, the record will be transferred to the Internal Audit Division of THDA. The Internal Audit Division will provide Grantees with information on HOME Long Term Compliance. Each Grantee will be monitored annually to determine each project's compliance with the HOME Rules and Regulations. Each Grantee will also be monitored for adherence to its contract with THDA. Each Grantee will receive a letter explaining the details of the long term monitoring process and annual reporting requirements.

1. The rental housing long term monitoring requirements are the responsibility of the Grantee. They are responsible for:
 - a. Annual income certification of tenants;
 - b. Adherence to the HOME rent and income composition guidelines;
 - c. Compliance with the Standard Housing Codes or Section 8 Housing Quality Standards;
 - d. Reporting to THDA.
2. **THIRD-PARTY RENTAL PROGRAMS** - Grantees operating third-party rental programs must establish local mechanisms to maintain compliance with the requirements listed above. This should include a reporting component that requires each third-party owner to submit information to the Grantee on a regular basis. As the initial recipient of THDA/HUD funds, the Grantee is ultimately the responsible party. As such, the Grantee must demonstrate plans for a system of oversight at the time the project is monitored, and the existence of a functioning system before the project is closed out.

ATTACHMENT XI

2006 HOME PROGRAM RENTS

TENNESSEE COUNTIES

IDENTIFIED BY METROPOLITAN AND NON-METROPOLITAN STATUS

METROPOLITAN AREAS¹

MSA - CHATTANOOGA

HMFA - CLARKSVILLE-

HMFA – STEWART COUNTY

MSA – CLEVELAND

MSA - JACKSON

MSA – JOHNSON CITY

MSA – KINGSFORT-BRISTOL

MSA - KNOXVILLE

HMFA - MEMPHIS

HMFA – NASHVILLE-MURFREESBORO

HMFA – MACON COUNTY

HMFA – HICKMAN COUNTY

HMFA – SMITH

NON-METROPOLITAN AREAS

COUNTIES

HAMILTON, MARION, SEQUATCHIE

MONTGOMERY

STEWART

BRADLEY, POLK

CHESTER, MADISON

CARTER, UNICOI, WASHINGTON

HAWKINS, SULLIVAN

ANDERSON, BLOUNT, KNOX, LOUDON, UNION

FAYETTE, SHELBY, TIPTON

CANNON, CHEATHAM, DAVIDSON, DICKSON,
ROBERTSON, RUTHERFORD, SUMNER,
TROUSDALE, WILLIAMSON, WILSON

MACON

HICKMAN

SMITH

ALL OTHER COUNTIES

Effective May 3, 2006

¹ MSA is a Metropolitan Statistical Area. HFMA is a HUD Metro FMR area.

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		----- 2006 HOME PROGRAM RENTS -----						
	PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Chattanooga, TN-GA MSA								
	LOW HOME RENT LIMIT	460	492	584	682	761	840	918
	HIGH HOME RENT LIMIT	469	496	584	719	845	972	1089
	For Information Only:							
	FAIR MARKET RENT	469	496	584	719	845	972	1099
	50% RENT LIMIT	460	492	591	682	761	840	918
	65% RENT LIMIT	578	620	747	854	933	1011	1089
Clarksville, TN-KY HUD Metro FMR Area								
	LOW HOME RENT LIMIT	418	448	537	621	692	765	836
	HIGH HOME RENT LIMIT	466	485	563	774	838	912	981
	For Information Only:							
	FAIR MARKET RENT	466	485	563	814	838	964	1089
	50% RENT LIMIT	418	448	537	621	692	765	836
	65% RENT LIMIT	524	563	677	774	843	912	981
Stewart County, TN HUD Metro FMR Area								
	LOW HOME RENT LIMIT	302	393	464	590	652	726	794
	HIGH HOME RENT LIMIT	302	393	464	633	652	750	848
	For Information Only:							
	FAIR MARKET RENT	302	393	464	633	652	750	848
	50% RENT LIMIT	397	425	511	590	658	726	794
	65% RENT LIMIT	496	533	642	733	798	862	927
Cleveland, TN MSA								
	LOW HOME RENT LIMIT	401	410	528	663	760	838	917
	HIGH HOME RENT LIMIT	401	410	528	663	842	968	1086
	For Information Only:							
	FAIR MARKET RENT	401	410	528	663	842	968	1095
	50% RENT LIMIT	458	491	590	681	760	838	917
	65% RENT LIMIT	576	619	744	852	930	1008	1086
Jackson, TN MSA								
	LOW HOME RENT LIMIT	431	470	581	671	750	826	904
	HIGH HOME RENT LIMIT	431	470	593	794	815	937	1060
	For Information Only:							
	FAIR MARKET RENT	431	470	593	794	815	937	1060
	50% RENT LIMIT	452	485	581	671	750	826	904
	65% RENT LIMIT	568	610	734	840	918	993	1070
Johnson City, TN MSA								
	LOW HOME RENT LIMIT	334	404	501	586	653	721	789
	HIGH HOME RENT LIMIT	334	404	501	622	776	856	920
	For Information Only:							
	FAIR MARKET RENT	334	404	501	622	776	892	1009
	50% RENT LIMIT	395	423	507	586	653	721	789
	65% RENT LIMIT	493	529	638	728	793	856	920

		----- 2006 HOME PROGRAM RENTS -----						
	PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Kingsport-Bristol-Bristol, TN-VA MSA								
	LOW HOME RENT LIMIT	362	389	483	604	673	744	813
	HIGH HOME RENT LIMIT	362	389	483	647	774	886	953
	For Information Only:							
	FAIR MARKET RENT	362	389	483	647	774	890	1006
	50% RENT LIMIT	407	436	523	604	673	744	813
	65% RENT LIMIT	510	548	659	752	820	886	953
Knoxville, TN MSA								
	LOW HOME RENT LIMIT	411	472	569	712	787	876	959
	HIGH HOME RENT LIMIT	411	472	569	762	787	905	1023
	For Information Only:							
	FAIR MARKET RENT	411	472	569	762	787	905	1023
	50% RENT LIMIT	480	513	616	712	795	876	959
	65% RENT LIMIT	603	648	779	892	975	1057	1140
Memphis, TN-MS-AR HUD Metro FMR Area								
	LOW HOME RENT LIMIT	501	536	636	745	831	916	1002
	HIGH HOME RENT LIMIT	527	572	636	847	874	1005	1136
	For Information Only:							
	FAIR MARKET RENT	527	572	636	847	874	1005	1136
	50% RENT LIMIT	501	536	645	745	831	916	1002
	65% RENT LIMIT	633	679	817	935	1023	1110	1198
Morristown, TN MSA								
	LOW HOME RENT LIMIT	393	394	473	588	656	725	792
	HIGH HOME RENT LIMIT	393	394	473	620	699	804	909
	For Information Only:							
	FAIR MARKET RENT	393	394	473	620	699	804	909
	50% RENT LIMIT	396	424	510	588	656	725	792
	65% RENT LIMIT	495	532	641	732	796	860	925
Nashville-Davidson--Murfreesboro, TN HUD Metro FMR Area								
	LOW HOME RENT LIMIT	507	577	666	800	889	985	1078
	HIGH HOME RENT LIMIT	507	579	666	864	889	1022	1156
	For Information Only:							
	FAIR MARKET RENT	507	579	666	864	889	1022	1156
	50% RENT LIMIT	538	577	692	800	893	985	1078
	65% RENT LIMIT	681	731	879	1007	1104	1199	1296
Hickman County, TN HUD Metro FMR Area								
	LOW HOME RENT LIMIT	308	428	474	604	673	744	813
	HIGH HOME RENT LIMIT	308	428	474	691	712	819	926
	For Information Only:							
	FAIR MARKET RENT	308	428	474	691	712	819	926
	50% RENT LIMIT	407	436	523	604	673	744	813
	65% RENT LIMIT	510	548	659	752	820	886	953

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		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Macon County, TN HUD Metro FMR Area							
LOW HOME RENT LIMIT	299	364	460	548	609	700	773
HIGH HOME RENT LIMIT	299	364	460	548	609	700	792
For Information Only:							
FAIR MARKET RENT	299	364	460	548	609	700	792
50% RENT LIMIT	386	414	497	574	641	706	773
65% RENT LIMIT	484	519	626	714	776	838	900
Smith County, TN HUD Metro FMR Area							
LOW HOME RENT LIMIT	395	396	474	632	653	751	849
HIGH HOME RENT LIMIT	395	396	474	632	653	751	849
For Information Only:							
FAIR MARKET RENT	395	396	474	632	653	751	849
50% RENT LIMIT	431	461	555	640	715	788	862
65% RENT LIMIT	541	581	699	799	873	944	1016
Bedford County, TN							
LOW HOME RENT LIMIT	374	448	537	621	692	765	836
HIGH HOME RENT LIMIT	374	458	576	721	742	853	965
For Information Only:							
FAIR MARKET RENT	374	458	576	721	742	853	965
50% RENT LIMIT	418	448	537	621	692	765	836
65% RENT LIMIT	524	563	677	774	843	912	981
Benton County, TN							
LOW HOME RENT LIMIT	363	364	460	565	624	695	761
HIGH HOME RENT LIMIT	363	364	460	569	624	718	811
For Information Only:							
FAIR MARKET RENT	363	364	460	569	624	718	811
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Bledsoe County, TN							
LOW HOME RENT LIMIT	301	377	460	565	622	695	761
HIGH HOME RENT LIMIT	301	377	460	604	622	715	809
For Information Only:							
FAIR MARKET RENT	301	377	460	604	622	715	809
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Campbell County, TN							
LOW HOME RENT LIMIT	381	383	460	565	631	695	761
HIGH HOME RENT LIMIT	382	383	460	592	705	811	885
For Information Only:							
FAIR MARKET RENT	382	383	460	592	705	811	917
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Carroll County, TN							
LOW HOME RENT LIMIT	381	382	460	567	634	729	817
HIGH HOME RENT LIMIT	381	382	460	567	634	729	824
For Information Only:							
FAIR MARKET RENT	381	382	460	567	634	729	824
50% RENT LIMIT	408	438	525	606	677	746	817
65% RENT LIMIT	511	549	661	755	823	889	956
Claiborne County, TN							
LOW HOME RENT LIMIT	299	381	460	565	631	695	761
HIGH HOME RENT LIMIT	299	381	460	615	690	794	885
For Information Only:							
FAIR MARKET RENT	299	381	460	615	690	794	897
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Clay County, TN							
LOW HOME RENT LIMIT	372	373	460	565	615	695	761
HIGH HOME RENT LIMIT	372	373	460	597	615	707	800
For Information Only:							
FAIR MARKET RENT	372	373	460	597	615	707	800
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Cocke County, TN							
LOW HOME RENT LIMIT	300	370	460	551	631	695	761
HIGH HOME RENT LIMIT	300	370	460	551	751	824	885
For Information Only:							
FAIR MARKET RENT	300	370	460	551	751	864	976
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Coffee County, TN							
LOW HOME RENT LIMIT	411	412	494	612	682	753	824
HIGH HOME RENT LIMIT	411	412	494	670	732	842	952
For Information Only:							
FAIR MARKET RENT	411	412	494	670	732	842	952
50% RENT LIMIT	412	441	530	612	682	753	824
65% RENT LIMIT	515	554	667	762	830	897	965
Crockett County, TN							
LOW HOME RENT LIMIT	382	415	460	596	619	712	803
HIGH HOME RENT LIMIT	382	415	460	600	619	712	805
For Information Only:							
FAIR MARKET RENT	382	415	460	600	619	712	805
50% RENT LIMIT	401	430	516	596	665	734	803
65% RENT LIMIT	503	540	649	742	809	873	939

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Cumberland County, TN							
LOW HOME RENT LIMIT	381	382	460	565	631	695	761
HIGH HOME RENT LIMIT	381	382	460	652	764	824	885
For Information Only:							
FAIR MARKET RENT	381	382	460	652	807	928	1049
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Decatur County, TN							
LOW HOME RENT LIMIT	344	378	460	565	631	695	761
HIGH HOME RENT LIMIT	344	378	460	591	673	774	875
For Information Only:							
FAIR MARKET RENT	344	378	460	591	673	774	875
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
DeKalb County, TN							
LOW HOME RENT LIMIT	381	383	460	565	631	695	761
HIGH HOME RENT LIMIT	382	383	460	664	686	789	885
For Information Only:							
FAIR MARKET RENT	382	383	460	664	686	789	892
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Dyer County, TN							
LOW HOME RENT LIMIT	310	365	478	610	680	750	820
HIGH HOME RENT LIMIT	310	365	478	637	696	800	905
For Information Only:							
FAIR MARKET RENT	310	365	478	637	696	800	905
50% RENT LIMIT	410	439	527	610	680	750	820
65% RENT LIMIT	514	552	664	759	828	894	962
Fentress County, TN							
LOW HOME RENT LIMIT	372	373	460	565	615	695	761
HIGH HOME RENT LIMIT	372	373	460	597	615	707	800
For Information Only:							
FAIR MARKET RENT	372	373	460	597	615	707	800
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Franklin County, TN							
LOW HOME RENT LIMIT	316	380	488	650	725	800	875
HIGH HOME RENT LIMIT	316	380	488	710	854	958	1032
For Information Only:							
FAIR MARKET RENT	316	380	488	710	854	982	1110
50% RENT LIMIT	437	468	562	650	725	800	875
65% RENT LIMIT	549	589	709	811	885	958	1032

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STATE: TENNESSEE		----- 2006 HOME PROGRAM RENTS -----						
	PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Gibson County, TN	LOW HOME RENT LIMIT	377	385	460	578	639	733	801
	HIGH HOME RENT LIMIT	377	385	460	578	639	735	831
	For Information Only:							
	FAIR MARKET RENT	377	385	460	578	639	735	831
	50% RENT LIMIT	401	429	515	595	663	733	801
	65% RENT LIMIT	501	538	648	740	805	870	935
Giles County, TN	LOW HOME RENT LIMIT	324	381	502	604	621	714	807
	HIGH HOME RENT LIMIT	324	381	502	604	621	714	807
	For Information Only:							
	FAIR MARKET RENT	324	381	502	604	621	714	807
	50% RENT LIMIT	426	456	547	633	706	779	852
	65% RENT LIMIT	534	573	691	789	860	931	1002
Greene County, TN	LOW HOME RENT LIMIT	299	376	460	586	640	721	789
	HIGH HOME RENT LIMIT	299	376	460	623	640	736	832
	For Information Only:							
	FAIR MARKET RENT	299	376	460	623	640	736	832
	50% RENT LIMIT	395	423	507	586	653	721	789
	65% RENT LIMIT	493	529	638	728	793	856	920
Grundy County, TN	LOW HOME RENT LIMIT	301	377	460	565	622	695	761
	HIGH HOME RENT LIMIT	301	377	460	604	622	715	809
	For Information Only:							
	FAIR MARKET RENT	301	377	460	604	622	715	809
	50% RENT LIMIT	381	408	490	565	631	695	761
	65% RENT LIMIT	475	511	614	702	764	824	885
Hancock County, TN	LOW HOME RENT LIMIT	381	382	460	565	631	695	761
	HIGH HOME RENT LIMIT	381	382	460	589	708	814	885
	For Information Only:							
	FAIR MARKET RENT	381	382	460	589	708	814	920
	50% RENT LIMIT	381	408	490	565	631	695	761
	65% RENT LIMIT	475	511	614	702	764	824	885
Hardeman County, TN	LOW HOME RENT LIMIT	333	408	460	565	631	695	761
	HIGH HOME RENT LIMIT	333	412	460	623	764	824	885
	For Information Only:							
	FAIR MARKET RENT	333	412	460	623	807	928	1049
	50% RENT LIMIT	381	408	490	565	631	695	761
	65% RENT LIMIT	475	511	614	702	764	824	885

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Hardin County, TN							
LOW HOME RENT LIMIT	337	376	460	565	628	695	761
HIGH HOME RENT LIMIT	337	376	460	610	628	722	816
For Information Only:							
FAIR MARKET RENT	337	376	460	610	628	722	816
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Haywood County, TN							
LOW HOME RENT LIMIT	381	400	490	565	631	695	761
HIGH HOME RENT LIMIT	386	400	523	625	687	790	885
For Information Only:							
FAIR MARKET RENT	386	400	523	625	687	790	893
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Henderson County, TN							
LOW HOME RENT LIMIT	322	427	498	594	612	704	796
HIGH HOME RENT LIMIT	322	427	498	594	612	704	796
For Information Only:							
FAIR MARKET RENT	322	427	498	594	612	704	796
50% RENT LIMIT	415	444	533	616	687	758	829
65% RENT LIMIT	519	558	672	767	836	904	972
Henry County, TN							
LOW HOME RENT LIMIT	300	352	463	554	631	695	761
HIGH HOME RENT LIMIT	300	352	463	554	674	775	876
For Information Only:							
FAIR MARKET RENT	300	352	463	554	674	775	876
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Houston County, TN							
LOW HOME RENT LIMIT	363	364	460	565	624	695	761
HIGH HOME RENT LIMIT	363	364	460	569	624	718	811
For Information Only:							
FAIR MARKET RENT	363	364	460	569	624	718	811
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Humphreys County, TN							
LOW HOME RENT LIMIT	382	414	460	638	677	779	859
HIGH HOME RENT LIMIT	382	414	460	656	677	779	880
For Information Only:							
FAIR MARKET RENT	382	414	460	656	677	779	880
50% RENT LIMIT	430	460	552	638	712	785	859
65% RENT LIMIT	539	578	696	795	868	939	1011

U.S. DEPARTMENT OF HUD 04/2006
STATE: TENNESSEE

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Jackson County, TN							
LOW HOME RENT LIMIT	372	373	460	565	615	695	761
HIGH HOME RENT LIMIT	372	373	460	597	615	707	800
For Information Only:							
FAIR MARKET RENT	372	373	460	597	615	707	800
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Johnson County, TN							
LOW HOME RENT LIMIT	298	371	460	565	631	695	761
HIGH HOME RENT LIMIT	298	371	460	617	647	744	841
For Information Only:							
FAIR MARKET RENT	298	371	460	617	647	744	841
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Lake County, TN							
LOW HOME RENT LIMIT	342	382	460	565	631	695	761
HIGH HOME RENT LIMIT	342	382	460	597	633	728	823
For Information Only:							
FAIR MARKET RENT	342	382	460	597	633	728	823
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Lauderdale County, TN							
LOW HOME RENT LIMIT	381	406	488	565	612	695	761
HIGH HOME RENT LIMIT	405	406	488	593	612	704	796
For Information Only:							
FAIR MARKET RENT	405	406	488	593	612	704	796
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Lawrence County, TN							
LOW HOME RENT LIMIT	316	355	460	565	631	695	761
HIGH HOME RENT LIMIT	316	355	460	569	650	748	845
For Information Only:							
FAIR MARKET RENT	316	355	460	569	650	748	845
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Lewis County, TN							
LOW HOME RENT LIMIT	308	358	462	565	606	695	761
HIGH HOME RENT LIMIT	308	358	462	589	606	697	788
For Information Only:							
FAIR MARKET RENT	308	358	462	589	606	697	788
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885

U.S. DEPARTMENT OF HUD 04/2006
STATE:TENNESSEE

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Lincoln County, TN							
LOW HOME RENT LIMIT	381	382	460	562	579	666	753
HIGH HOME RENT LIMIT	381	382	460	562	579	666	753
For Information Only:							
FAIR MARKET RENT	381	382	460	562	579	666	753
50% RENT LIMIT	423	453	545	629	701	774	847
65% RENT LIMIT	530	569	686	784	855	924	995
McMinn County, TN							
LOW HOME RENT LIMIT	401	407	489	585	665	734	803
HIGH HOME RENT LIMIT	405	407	489	585	779	873	939
For Information Only:							
FAIR MARKET RENT	405	407	489	585	779	896	1013
50% RENT LIMIT	401	430	516	596	665	734	803
65% RENT LIMIT	503	540	649	742	809	873	939
McNairy County, TN							
LOW HOME RENT LIMIT	299	351	460	565	631	695	761
HIGH HOME RENT LIMIT	299	351	460	664	684	787	885
For Information Only:							
FAIR MARKET RENT	299	351	460	664	684	787	889
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Marshall County, TN							
LOW HOME RENT LIMIT	372	395	518	623	772	853	932
HIGH HOME RENT LIMIT	372	395	518	623	782	899	1017
For Information Only:							
FAIR MARKET RENT	372	395	518	623	782	899	1017
50% RENT LIMIT	466	499	600	693	772	853	932
65% RENT LIMIT	586	629	758	867	948	1027	1107
Maury County, TN							
LOW HOME RENT LIMIT	397	496	611	778	801	921	1041
HIGH HOME RENT LIMIT	397	496	611	778	801	921	1041
For Information Only:							
FAIR MARKET RENT	397	496	611	778	801	921	1041
50% RENT LIMIT	538	577	692	800	893	985	1078
65% RENT LIMIT	681	731	879	1007	1104	1199	1296
Meigs County, TN							
LOW HOME RENT LIMIT	301	377	460	565	622	695	761
HIGH HOME RENT LIMIT	301	377	460	604	622	715	809
For Information Only:							
FAIR MARKET RENT	301	377	460	604	622	715	809
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885

U.S. DEPARTMENT OF HUD 04/2006
STATE: TENNESSEE

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Monroe County, TN							
LOW HOME RENT LIMIT	363	364	462	553	631	695	761
HIGH HOME RENT LIMIT	363	364	462	553	705	811	885
For Information Only:							
FAIR MARKET RENT	363	364	462	553	705	811	917
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Moore County, TN							
LOW HOME RENT LIMIT	403	404	483	638	658	757	855
HIGH HOME RENT LIMIT	403	404	483	638	658	757	855
For Information Only:							
FAIR MARKET RENT	403	404	483	638	658	757	855
50% RENT LIMIT	430	460	552	638	712	785	859
65% RENT LIMIT	539	578	696	795	868	939	1011
Morgan County, TN							
LOW HOME RENT LIMIT	380	380	460	565	631	695	761
HIGH HOME RENT LIMIT	380	380	460	575	671	772	872
For Information Only:							
FAIR MARKET RENT	380	380	460	575	671	772	872
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Obion County, TN							
LOW HOME RENT LIMIT	316	381	460	607	639	735	826
HIGH HOME RENT LIMIT	316	381	460	607	639	735	831
For Information Only:							
FAIR MARKET RENT	316	381	460	607	639	735	831
50% RENT LIMIT	412	442	531	613	685	755	826
65% RENT LIMIT	518	556	669	764	833	900	969
Overton County, TN							
LOW HOME RENT LIMIT	300	377	460	562	578	665	751
HIGH HOME RENT LIMIT	300	377	460	562	578	665	751
For Information Only:							
FAIR MARKET RENT	300	377	460	562	578	665	751
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Perry County, TN							
LOW HOME RENT LIMIT	308	358	462	565	606	695	761
HIGH HOME RENT LIMIT	308	358	462	589	606	697	788
For Information Only:							
FAIR MARKET RENT	308	358	462	589	606	697	788
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Pickett County, TN							
LOW HOME RENT LIMIT	372	373	460	565	615	695	761
HIGH HOME RENT LIMIT	372	373	460	597	615	707	800
For Information Only:							
FAIR MARKET RENT	372	373	460	597	615	707	800
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Putnam County, TN							
LOW HOME RENT LIMIT	382	383	478	626	698	771	843
HIGH HOME RENT LIMIT	382	383	478	688	738	849	959
For Information Only:							
FAIR MARKET RENT	382	383	478	688	738	849	959
50% RENT LIMIT	421	451	542	626	698	771	843
65% RENT LIMIT	529	568	683	781	851	921	991
Rhea County, TN							
LOW HOME RENT LIMIT	298	368	460	565	628	695	761
HIGH HOME RENT LIMIT	298	368	460	611	628	722	816
For Information Only:							
FAIR MARKET RENT	298	368	460	611	628	722	816
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Roane County, TN							
LOW HOME RENT LIMIT	403	416	483	638	663	762	859
HIGH HOME RENT LIMIT	403	416	483	646	663	762	862
For Information Only:							
FAIR MARKET RENT	403	416	483	646	663	762	862
50% RENT LIMIT	430	460	552	638	712	785	859
65% RENT LIMIT	539	578	696	795	868	939	1011
Scott County, TN							
LOW HOME RENT LIMIT	381	389	460	565	631	695	761
HIGH HOME RENT LIMIT	382	389	460	609	764	824	885
For Information Only:							
FAIR MARKET RENT	382	389	460	609	810	932	1053
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Sevier County, TN							
LOW HOME RENT LIMIT	461	494	563	677	765	843	924
HIGH HOME RENT LIMIT	461	499	563	677	938	1016	1095
For Information Only:							
FAIR MARKET RENT	461	499	563	677	989	1137	1286
50% RENT LIMIT	461	494	593	686	765	843	924
65% RENT LIMIT	580	623	751	858	938	1016	1095

		----- 2006 HOME PROGRAM RENTS -----					
PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Van Buren County, TN							
LOW HOME RENT LIMIT	372	373	460	565	615	695	761
HIGH HOME RENT LIMIT	372	373	460	597	615	707	800
For Information Only:							
FAIR MARKET RENT	372	373	460	597	615	707	800
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Warren County, TN							
LOW HOME RENT LIMIT	372	376	484	606	677	746	817
HIGH HOME RENT LIMIT	372	376	484	649	771	887	956
For Information Only:							
FAIR MARKET RENT	372	376	484	649	771	887	1002
50% RENT LIMIT	408	438	525	606	677	746	817
65% RENT LIMIT	511	549	661	755	823	889	956
Wayne County, TN							
LOW HOME RENT LIMIT	308	358	462	565	606	695	761
HIGH HOME RENT LIMIT	308	358	462	589	606	697	788
For Information Only:							
FAIR MARKET RENT	308	358	462	589	606	697	788
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885
Weakley County, TN							
LOW HOME RENT LIMIT	334	411	460	630	703	775	848
HIGH HOME RENT LIMIT	334	411	460	673	811	927	998
For Information Only:							
FAIR MARKET RENT	334	411	460	673	811	933	1054
50% RENT LIMIT	425	455	546	630	703	775	848
65% RENT LIMIT	533	572	688	786	858	927	998
White County, TN							
LOW HOME RENT LIMIT	345	350	460	565	631	695	761
HIGH HOME RENT LIMIT	345	350	460	650	668	768	868
For Information Only:							
FAIR MARKET RENT	345	350	460	650	668	768	868
50% RENT LIMIT	381	408	490	565	631	695	761
65% RENT LIMIT	475	511	614	702	764	824	885

SAMPLE

RENTAL HOUSING POLICIES AND PROCEDURES FOR

I. PURPOSE

This program will provide good quality affordable rental housing to low and very low income families; will assist tenant families acquire the skills and resources needed to become homeowners; and will assist qualified tenant families purchase their homes at the end of the required affordability period. The program will operate in _____.

II. AUTHORITY

The legal authority of this program comes from the working agreement with Tennessee Housing Development Agency, Public Law 101-625 (National Affordable Housing Act of 1990), as well as State and local laws.

III. PROGRAM RESOURCES

The source of funds for the undertaking of these activities is a grant in the amount of \$_____ which _____ has been awarded by Tennessee Housing Development Agency (THDA) through the U.S. Department of Housing and Urban Development Home Investment Partnership Act.

IV. APPLICABLE LAWS

_____ and its tenants are required to abide by a number of State and Federal laws, and may be required to sign documents certifying their compliance.

1. Equal Opportunity Provisions for Contracts \$10,000 and Under, E. O. 11246 clause for contracts over \$10,000
2. Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity
3. Standard Equal Opportunity Construction Contract specifications
4. Certification of Non-segregated Facilities for Contracts Over \$10,000

5. Title VI of Civil Rights Act of 1964 Provisions
6. Section 109 of Housing and Community Development Act of 1974 Provisions
7. Section 3 Compliance Provisions of the HUD Act of 1968
8. Age Discrimination Act of 1975 Provisions
9. Section 504 Affirmative Action for Handicapped Provisions
10. Lead-based Paint Hazard Provisions
11. Access to Records/Maintenance of Records Provisions
12. Conflict of Interest Provisions
13. Certification of Bidder Regarding Equal Employment Opportunity
14. Certification of Bidder Regarding Section 3 and Segregated Facilities
15. Contractor Section 3 Plan Format
16. Subcontractor Certification Regarding Equal Employment Opportunity
17. Subcontractor Certification Regarding Section 3 and Segregated Facilities
18. National Environmental Policy Act of 1969 (NEPA), 24 CFR parts 50 and 58
19. Conflict of Interest provisions in 24 CFR 85.36 and OMB Circular A-110
20. Debarment and Suspension provisions as required by 24 CFR part 24
21. Drug Free Workplace policy

V. AFFIRMATIVE MARKETING PROCEDURES

_____ is committed to non-discrimination and equal opportunity in housing, and will seek to attract eligible tenants from all racial, ethnic and gender groups. In order to inform the public and potential tenants of available housing units, _____ will:

1. Make this information known through advertisements and announcements in the local media which include the Equal Opportunity logotype or slogan; and
2. Notify the local PHA or THDA's satellite office to request that applicants on their waiting lists be informed of upcoming vacancies; and
3. Contact community organizations, places of worship, employment centers, fair housing groups or housing counseling agencies to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach (e.g., racial minorities and female head of households).

VI. TENANT SELECTION - INCOME DETERMINATION

- A. **INCOME LIMITS** - HOME funds can only be used to benefit low and very low income households. The income limits applicable are the current "Income Limits for Low-Income and Very Low-Income Families" (adjusted for family size) produced by the Department of Housing and Urban Development. Tennessee figures are included as **ATTACHMENT I: 2006 HOME Income Limits**.
- B. **ANNUAL INCOME (GROSS INCOME)** - The State's HOME program uses the income definitions of the Section 8 program to determine the annual income (gross income) used to classify a household for purposes of eligibility. Annual income means all amounts, monetary or not, which:
1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member;
 2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date. In other words, it is the household's *future or expected* ability to pay rather than its past earnings that is used to determine program eligibility. If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period; and
 3. Which are not specifically excluded in paragraph 6.8 (Income Exclusions) below.
 4. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
 5. **MONTHLY GROSS INCOME** - Monthly gross income is Annual Gross Income divided by 12 months.
- C. **ASSETS** - In general terms, an asset is a cash or noncash item that can be converted to cash. There is no asset limitation for participation in the HOME program. Income from assets is, however, recognized as part of Annual Gross Income. Assets have both a market value and a cash value.
1. **MARKET VALUE** - The market value of an asset is simply its dollar value on the open market. For example, a stock's market value is the price quoted on a stock exchange on a particular day, and a property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.
 2. **CASH VALUE** - The cash value of an asset is the market value less reasonable expenses required to convert the asset to cash, including:
 - a. Penalties or fees for converting financial holdings. Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds, or broker fees for converting stocks to cash); and/or

- b. Costs for selling real property. Settlement costs, real estate transaction fees, payment of mortgages/liens against the property, and any legal fees associated with the sale of real property are deducted from the market value to determine equity in the real estate.
- c. Under Section 8 rules, only the cash value (rather than market value) of an item is counted as an asset.

D. **INCOME FROM ASSETS** - The income counted is the actual income generated by the asset (e.g., interest on a savings or checking account.) The income is counted even if the household elects not to receive it. For example, although a household may elect to reinvest the interest of dividends from an asset, the interest or dividends is still counted as income.

1. The income from assets included in Annual Gross Income is the income that is anticipated to be received during the coming 12 months.
 - a. To obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account; or
 - b. If the value of the account is not anticipated to change in the near future and interest rates have been stable, a copy of the IRS 1099 form showing past interest earned can be used.
 - c. Checking account balances (as well as savings account balances) are considered an asset. This is a recognition that some households keep assets in their checking accounts, and is not intended to count monthly income as an asset. Grantees should use the average monthly balance over a 6-month period as the cash value of the checking account.
2. When an Asset Produces Little or No Income:
 - a. If the family's assets are \$5,000 or less, actual income from assets (e.g., interest on a checking account) is not counted as annual income. For example, if a family has \$600 in a non-interest bearing checking account, no actual income would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.
 - b. If the family's assets are greater than \$5,000, income from assets is computed as the greater of:
 - i. actual income from assets, or
 - ii. imputed income from assets based on a passbook rate applied to the cash value of all assets. For example, if a family has \$3,000 in a non-interest bearing checking account and \$5,500 in an interest-bearing savings account, the two amounts are added together. Use the standard passbook rate to determine the annual income from assets for this family.
3. Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length" transaction) have, in essence, voluntarily reduced their ability to afford housing. Section 8 rules require, therefore, that any asset disposed of

for less than fair market value during the 2 years preceding the income determination be counted as if the household still owned the asset.

- a. The value to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset (less any fees associated with disposal of property, such as a brokerage fee).
- b. Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure, bankruptcy, divorce or separation is not included in this calculation.
- c. These procedures are followed to eliminate the need for an assets limitation and to penalize people who give away assets for the purpose of receiving assistance or paying a lower rent.

E. ASSETS INCLUDE:

1. Amounts in savings accounts and six month average balance for checking accounts.
2. Stocks, bonds, savings certificates, money market funds and other investment accounts.
3. Equity in real property or other capital investments. Equity if the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset. *DO NOT INCLUDE EQUITY OF PRINCIPAL RESIDENCE AS AN ASSET FOR HOMEOWNER REHABILITATION PROGRAMS.*
4. The cash value of trusts that are available to the household.
5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in penalty.
6. Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
7. Assets which, although owned by more than one person, allow unrestricted access by the applicant.
8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims.
9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
10. Cash value of life insurance policies.
11. Assets disposed of for less than fair market value during two years preceding certification or recertification.

F. ASSETS DO NOT INCLUDE:

- a. Necessary personal property, except as noted under paragraph 6.5(9) (Assets Include) above
- b. Interest in Indian Trust lands
- c. Assets that are part of an active business or farming operation.

NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant/tenant's main occupation.

- d. Assets not accessible to the family and which provide no income to the family.
- e. Vehicles especially equipped for the handicapped.
- f. Equity in owner-occupied cooperatives and manufactured homes in which the family lives.

G. INCOME INCLUSIONS - The following are used to determine the annual income (gross income) of an applicant's household for purposes of eligibility:

- 1. The full amount, before any payroll deductions, of wages and salaries, over-time pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- 2. The net income for the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
- 3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from net family assets or a percentage of the value of such assets based on the current passbook saving rate, as determined by HUD.
- 4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except Supplemental Security Income (SSI) or Social Security).
- 5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (but see paragraph (3) under Income Exclusions).

6. Welfare Assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
 - a. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
 - b. The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
8. All regular pay, special pay and allowances of a member of the Armed Forces (see paragraph (8) under Income Exclusions).

H. **INCOME EXCLUSIONS** - The following are excluded from a household's income for purposes of determining eligibility:

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except for payments in lieu of earnings – see paragraph (5) of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide.
6. Certain increases in income of a disabled member of the family residing in HOME assisted housing or receiving HOME tenant-based rental assistance (see 7. under L: Determining Whose Income to Count).
7. The full amount of student financial assistance paid directly to the student or to the educational institution;
8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
9.
 - a. Amounts received under training programs funded by HUD.

- b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
 - c. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) which are made solely to allow participation in a specific program.
 - d. Amount received under a resident's service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner or manager on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination and serving as a member of the governing board. No resident may receive more than one such stipend during the same period of time.
 - e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded must be received under employment training programs with clearly defined goals and objectives, are excluded only for the period during which the family member participates in the employment training program.
- 10. Temporary, nonrecurring or sporadic income (including gifts).
 - 11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
 - 12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse).
 - 13. Adoption assistance payments in excess of \$480 per adopted child.
 - 14. For public housing only, the earnings and benefits to any family member resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, Section 22 of the 1937 Act, or any comparable federal, state or local law during the exclusion period.
 - 15. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
 - 16. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
 - 17. Amounts paid by a state agency to a family with member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

18. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which exclusions set forth in 24 CFR 5.609(c) apply. The following is a list of types of income that qualify for that exclusion (9/27/89 regulations):
- a. The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - b. Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through VISTA; Retired Senior Volunteer Program, Foster Grandparents Program, youthful offenders incarceration alternatives, senior companions);
 - c. Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a));
 - d. Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 259e);
 - e. Payments or allowances made under the department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
 - f. Payments received under programs funded in whole or in part under the Job Training Partnership Act;
 - g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
 - h. The first \$2,000 of per capita shares received from judgement funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117);
 - i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
 - j. Payments received from programs funded under Title V of the Older Americans Act of 1965 (42 U.S.C. 3056(f));
 - k. Any earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
 - l. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other funds established pursuant to the settlement in the In Re Agent Orange product liability litigation MDL No. 381 (E.D.N.Y.)
 - m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
 - n. Payments received under the Maine Indian Claims Settlement Act of 1980.

- o. Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job corps, veterans employment programs, state job training programs and career intern programs, Americorps);
- p. Payments made by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- q. Allowances, earnings, and payments to Americorps participants under the National and Community Service Act of 1990;
- r. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- s. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance); and
- t. Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998.

I. TIMING OF INCOME CERTIFICATIONS - All households that receive HOME assistance must be income eligible. At a minimum, income certification must be completed before assistance begins. A preliminary determination of eligibility may be made much earlier in the process.

- 1. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant.
- 2. Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. Generally, the HOME Program permits verification dated no earlier than 6 months prior to eligibility.
- 3. The Grantee must calculate the annual income of the household by projecting the prevailing rate of income of the family at the time the Grantee determines that the family is income eligible. The eligibility of a household must be re-determined if more than six months elapses between the date the Grantee determines that a household is income-eligible and the date HOME assistance is provided.
 - a. For homeowner rehabilitation projects, the date assistance is provided is the date of the rehabilitation contract.
 - b. For homeownership programs, the income eligibility of the families is timed as follows:
 - i. In the case of a contract to purchase existing housing, it is the date of the purchase;
 - ii. In the case of a lease-purchase agreement for existing housing or for housing to be constructed, it is the date the lease-purchase agreement is signed; and

- iii. In the case of a contract to purchase housing to be constructed, it is the date the contract is signed.

J. **INCOME VERIFICATION** - Grantees must verify and retain documentation of all information collected to determine a household's income. Under the Section 8 Program, there are three forms of verification which are acceptable: third-party, review of documents, and applicant certification.

1. **THIRD-PARTY VERIFICATION** - Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person and date of the call.
 - a. To conduct third party verifications, a Grantee must obtain a written release from the household that authorizes the third party to release required information.
 - b. Third-party verifications are helpful because they provide independent verification of information and permit Grantees to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.
2. **REVIEW OF DOCUMENTS** - Documents provided by the applicant (such as pay stubs, IRS returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third-party verifications. Copies of documents should be retained in project files.

Grantees should be aware that although easier to obtain than third-party verifications, a review of documents often does not provide needed information. For instance, a pay stub may not provide sufficient information about average number of hours worked, over-time, tips and bonuses.

3. **APPLICANT CERTIFICATION** - When no other form of verification is possible, a certification by the applicant may be used. For example, it may be necessary to use an applicant certification for an applicant whose income comes from "odd jobs" paid for in cash.

Applicant certification is the least reliable form of verification and may be subject to abuse. In some cases, the applicant certification can be supplemented by looking at the applicant's past history. The Grantee can review the previous year's income tax return to determine if the current year's income is consistent with activity for the previous year.

K. **CALCULATION METHODOLOGIES** - Grantees must establish methodologies that treat all households consistently and avoid confusion.

1. It is important to understand the basis on which applicants are paid (hourly, weekly or monthly, and with or without over-time). An applicant who is paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).

2. It is important to clarify whether over-time is sporadic or a predictable component of an applicant's income.
3. Annual salaries are counted as Annual Income regardless of the payment method. For instance a teacher receives an annual salary whether paid on a 9- or 12-month period.

L. DETERMINING WHOSE INCOME TO COUNT - Knowing whose income to count is as important as knowing which income to count. Under the Section 8 definition of income, the following income *is not counted*:

1. **INCOME OF LIVE-IN AIDES** - If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of its source, is not counted. (Except under unusual circumstances, a related person can never be considered a live-in aide);
2. **INCOME ATTRIBUTABLE TO THE CARE OF FOSTER CHILDREN** - Foster children are not counted as family members when determining family size to compare with the Income Limits. Thus, the income a household receives for the care of foster children is not included; and
3. **EARNED INCOME OF MINORS** - Earned income of minors (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, AFDC payments, and other benefits paid on behalf of a minor) is counted.
4. **TEMPORARILY ABSENT FAMILY MEMBERS** - The income of temporarily absent family members is counted in Annual Income - regardless of the amount the absent family member contributes to the household. For example, a construction worker earns \$600/week at a temporary job on the other side of the State. He keeps \$200/week for expenses and sends \$400/week home to his family. The entire \$600/week is counted in the family's income;
5. **ADULT STUDENTS LIVING AWAY FROM HOME** - If the adult student is counted as a member of the household in determining the Income Limit used for eligibility of the family, the first \$480 of the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is head of household or spouse (their full income must be counted); and
6. **PERMANENTLY ABSENT FAMILY MEMBER** - If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.
7. **PERSONS WITH DISABILITIES** - During the annual recertification of a family's income, increases in the income of a disabled member of qualified families residing in HOME assisted housing or receiving HOME tenant- based rental assistance is excluded. 24 CFR 5.61(a) outlines the eligible increases in income. These exclusions from annual income are of limited duration. The full amount of increase to an eligible family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, 50 percent of the increase in income is excluded. The disallowance of increased income

of an individual family member who is a person with disabilities is limited to a lifetime 48-month period.

M. **USING ADJUSTED GROSS INCOME** – Adjusted Gross Income is not used for HOME homeowner rehabilitation programs, homeownership programs, or for determining tenant eligibility for rental housing programs. Adjusted Gross Income is needed only to calculate:

1. The rent for a tenant in a HOME assisted rental unit whose rent must be adjusted because the household income increases above 80 percent of the area median; and
2. A household's eligibility for and the amount of assistance to be provided under the Uniform Relocation Act or Section 104(d) relocations and tenant assistance requirements

N. **CALCULATING ADJUSTED GROSS INCOME** - Adjusted gross income is the annual gross income minus any of the five following deductions (also called allowances) that apply to the household. The household's eligibility for deductions depends, in part, on the type of household that it is. Monthly adjusted income is Annual Adjusted Income divided by 12 months.

1. FOR ALL HOUSEHOLDS:

- a. \$480 for each dependent. (A dependent is a person, other than the head or spouse, who is under 18, or handicapped or disabled, or a full-time student of any age)
- b. Reasonable child care expenses (for children 12 and under) that enable a family member to work or go to school and are not reimbursed. The allowable expenses cannot exceed the income generated by that household member during the period the care is being provided. To document that the anticipated child care expenses can be deducted, the household must (1) identify the child(ren) who will be cared for; (2) identify the family member who is enabled to work or attend school because of child care (generally the person with the lowest income – the person who would quit work to take care of the children if no child care were available – is considered the family member enabled to work). This family member must provide documentation that he or she is employed, actively looking for work or is currently enrolled in a vocational program or degree-granting institution. The family member does not need to be a full time student. (3) demonstrate that no other adult household member is available to care for the child; (4) identify the child care provider; and (5) provide documentation of costs.
- c. Expenses (in excess of 3% annual gross income) for the care of a handicapped or disabled family member that enable that person or another person to work (includes care attendant and necessary equipment and apparatus). Expenses may be deducted only if (1) they are reasonable; (2) they are not reimbursed from another source, such as insurance; (3) they do not exceed the amount of income generated by the person enabled to work; and (4) they are in excess of three percent of annual income.

2. FOR ELDERLY OR DISABLED HOUSEHOLDS ONLY:

- a. An elderly household is any household in which the head, spouse, or sole member is 62 years of age or older. For example, a husband, age 59, and wife, age 62, would be considered an elderly household.
- b. A disabled household is any household in which the head, spouse or sole member is a person with disabilities. For example, a husband, age 42, and wife, age 38 and disabled, would be considered a disabled household.
- c. Living with an elderly or disabled relative does not qualify a household for this deduction unless the relative is the head or spouse of the family. For example, if a non-elderly, non-disabled couple take in an elderly parent; this is not a qualified elderly or disabled household. But if the couple moves in with the elderly or disabled parent, the parent is the head of household and the family is qualified for the deduction.
- d. Medical expenses in excess of 3% of annual income that are not reimbursed by insurance or other sources.
- e. Any household that meets the definition of an elderly or disabled household is entitled to a deduction of \$400 per household.

VII. TENANT SELECTION - APPLICATION PROCESS

- A. An applicant must have on file with _____ a completed Application for Rental Housing Assistance (RH-3), including all information and documentation in support of the application. This information and documentation must be submitted to _____ at least ten (10) days after the request for these documents is mailed or hand-delivered to the applicant.
- B. An applicant's reported gross annual income shall be verified by written evidence which may include, but is not limited to:
 - 1. pay stubs;
 - 2. certified statements from employers;
 - 3. self-employment accounting records certified by an independent accountant;
 - 4. income tax returns;
 - 5. bank statements; and
 - 6. eligibility letters from the Social Security Administration and/or the Department of Human Services.
- C. Applicants shall present evidence of their ability to pay the required rents. Acceptable evidence shall include:
 - 1. a valid Section 8 Voucher or Certificate;

2. a gross income at least three and one-third (3.33) times greater than the applicable gross rent (e.g., an income of \$1,320/month for a rent of \$396/month);
 3. a successful history of paying rent higher than the applicable HOME rent for the immediate prior twelve months. This is only acceptable in cases where an applicant's living conditions or circumstances would be substantially improved by moving into a _____ HOME unit; or
 4. other verifiable evidence acceptable to _____.
- D. The applicant must qualify for housing and the size and type available.
1. Households which meet the following criteria will qualify for a two-bedroom unit:
 - a. Households of two persons in which one person is handicapped or disabled and must have a separate bedroom because of the nature of the handicap or disability.
 - b. Households consisting of two parents or a single parent and one child or two children of the same gender.
 - c. Households consisting of two to four related adults of different generations.
 - d. Other households as determined by _____.
 2. Households which meet the following criteria will qualify for a three-bedroom unit:
 - a. Households consisting of two parents and one child or two children of the same gender in which one of the parents is handicapped or disabled and needs a separate bedroom because of the nature of the handicap or disability.
 - b. Households consisting of a single parent or two parents and two children of different gender.
 - c. Households consisting of a single parent or two parents, one or two grandparents, and one or more children.
 - d. Households consisting of five (5) or more persons.
 - e. Other households as determined by _____.
- E. A credit report may be used to verify a reported credit history.

VIII. TENANT SELECTION - INITIAL SELECTION PROCEDURES
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- A. The initial selection process shall apply only to those applicants who apply by or before forty-five (45) days after an advertisement announcing the availability of _____ HOME units for rent are first published in a local newspaper. For the 2005 HOME program, that date is _____.

- B. All applicants who qualify for the initial selection procedure and who meet the Eligibility Criteria shall be ranked according to the date of application as described above. Selections shall begin with the applicant with the earliest application and appropriate family composition for the first available unit and proceed in chronological order to the next application and so forth until all units are initially rented.
- C. In the event that there is more than one applicant with the same date of application, the unit will be allocated as follows:
 - 1. If the applicants have the same date of application, preference shall be given to the applicant who in the judgement of _____ is best suited for participation in the HOME project, all factors considered.
 - 2. The judgement and determination shall be made only by the _____ Board of Directors, its Executive Committee, or a special appointed by the Board for the purpose of making such selections.

IX. TENANT SELECTION - PERMANENT SELECTION PROCEDURE

- A. After the initial selection procedure, all applicants who meet the eligibility criteria, including those left in the initial applicant pool, will be placed on a waiting list for an appropriate unit (determined by number of bedrooms).
- B. Each waiting list will be organized according to chronological order, based on the date of the applications.

X. TENANT SELECTION - NOTIFICATION PROCEDURES

- A. All applicants who are rejected for any cause shall be notified of the reason(s) for their rejection. Said notification shall be hand-delivered or mailed to the applicant at his/her/their last known address within ten (10) days after rejection of the application.
- B. All applicants who are placed on a waiting list will be so notified.

XI. TENANT LEASE PROTECTIONS

- A. Tenants will be required to sign a lease. If the tenant is a Section 8 Voucher or Certificate user, the lease will be the same Section 8 lease that would be signed with any landlord. If the tenant does not have a Section 8 Voucher or Certificate, the lease will be the HOME lease (RH-6). In either case, the lease protects both the tenant and _____, and sets forth the tenant's responsibilities as well as _____ responsibilities and obligations as a landlord. The lease, between the tenant and _____ will be for at least ONE year, unless by mutual consent the tenant and _____ agree to a lesser term.

- B. _____ may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms of the lease; for violation of applicable federal, state or local law; or for other good cause. Any termination of refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.
- C. _____ must maintain the total development in compliance with all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted rental new construction must meet the Standard Building Code and HOME-assisted rental rehabilitation must meet the Standard Housing Code. All other HOME-assisted rental housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Section 8 housing quality standards.
- D. _____ may not refuse to lease a HOME-assisted unit to a family which holds a rental certificate (Rental Certificate Program) or a rental voucher (Rental Voucher Program) or a comparable document under the HOME program.
- E. Certain Lease Terms are prohibited. These include:
1. *AGREEMENT TO BE SUED* - Agreement by the tenant to be sued, admit guilt, or to a judgement in favor of the owner in a lawsuit brought in connection with the lease.
 2. *TREATMENT OF PROPERTY* - Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties.
 - a. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with the state law.
 3. *EXCUSING THE OWNER FROM RESPONSIBILITY* - Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.
 4. *WAIVER OF NOTICE* - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.
 5. *WAIVER OF LEGAL PROCEEDINGS* - Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties.
 6. *WAIVER OF A JURY TRIAL* - Agreement by the tenant to waive any right to a jury trial.
 7. *WAIVER OF RIGHT TO APPEAL COURT DECISION* - Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a decision in connection with the lease.

8. *TENANT CHARGEABLE WITH COST OF LEGAL ACTIONS REGARDLESS OF OUTCOME* - Agreement be the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding be the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

XII. SECURITY DEPOSITS

- A. Tenants will be required to make a reasonable security deposit. You will be permitted to make said deposit in equal monthly installments of the first six (6) months of your lease term. The specific amount and manner for handling the security deposit will be set forth in the lease. A security deposit shall not exceed the lower of one month's rent or 30% of the tenant's gross monthly income.

XIII. RENT LEVELS

- A. Rents are controlled for the length of the applicable affordability period. These rents are determined on an annual basis by HUD. _____ will be provided with these rents, which include all utilities. The utilities paid by tenants must be subtracted from the rents provided to determine the maximum allowable rents. The applicable utility allowance is provided by the local PHA or THDA. HOME rent limits are on file and open for public inspection in _____'s office.
- B. HOME rents may increase or decrease from year to year. If rents are increased, tenants will be notified in writing at least 30 days in advance. HOME rents may not rise above the limits set by HUD.

XIV. INCOME RECERTIFICATON

- A. As long as the rental unit is governed by the HOME "affordability period" of 5 to 20 years, tenant income must be rechecked and re-certified on an annual basis. The annual re-certification is required by the HOME regulations and helps to insure that the program continues to serve low or very low income households.
- B. Should the income of a household rise above the HOME income limits, adjusted by family size, the household *will not* be evicted or be required to move. The household would, however, be required to pay higher rent. In such a case, HOME regulations require that these tenants pay 30% of their *adjusted* gross monthly income for rent and utilities

XV. RANKING SYSTEM DEFINITIONS

FULL-TIME EMPLOYMENT

A job at which a person regularly spends 31 or more hours per week.

HANDICAPPED OR DISABLED

A person who has been declared disabled for the purposes of Social Security or who has been certified as disabled or handicapped by a qualified public or private agency.

HOMELESS

A family is homeless if they lack a fixed, regular, adequate night-time, and has a primary night-time residence for individuals that is either a supervised public or private shelter; an institution that provides temporary residence for individuals intended to be institutionalized; or a public or private place not designed for or ordinarily used for sleeping.

HOUSEHOLD

All persons who regularly reside together in a single housing unit.

INVOLUNTARILY DISPLACED

An individual or a family is involuntarily displaced if they are displaced from the home they have been occupying or if they will be displaced within six months from the date of certification because of fires, disasters, government action, or action by a private owner that the tenant could not control or prevent (not to include eviction for cause or a reasonable increase in rent); or actual or threatened physical violence that has occurred recently or is of a continuous nature.

MORE THAN 50% OF INCOME FOR HOUSING

A family paying more than 50% of their gross monthly income for rent and utilities combined. Utilities include electricity, water, heating fuel, and sewer, if available. A family may document actual utility bills or use the lowest applicable utility allowance published by THDA or the local PHA.

OVERCROWDED CONDITIONS

A household is overcrowded if there is an average of three or more persons per bedroom; or if there is no bedroom space for any member(s) of the household.

PART-TIME EMPLOYMENT

A job at which a person regularly works at least 10 but no more than 30 hours per week.

SUBSTANDARD HOUSING

A housing unit is substandard if it does not have operable indoor plumbing; does not have a useable flush toilet, bathtub or shower inside the unit for the exclusive use of the family; does not have electricity, or has inadequate or unsafe electrical service; does not have a safe and adequate source of heat; does not have a kitchen; has been declared unfit for habitation by any agency of government; or is dilapidated to the point that it does not provide decent, safe and sanitary shelter or has one or more critical defects in sufficient number to require considerable repair or rebuilding. Any one of these conditions qualify a unit as substandard.

If the proposed project consists of scattered site rental housing, this form must be completed for each unit. A project may include more than one site only if the sites are within a four block area of each other.

PART I: PROJECT INFORMATION

A. PROJECT NAME

Project Owner _____

B. PROJECT DETAILS

1. Type of Project

_____ Multifamily Rental Residential
 _____ Single Room Occupancy Housing
 _____ Elderly Housing
 _____ Single Family Dwelling
 _____ Congregate Care Facility
 _____ Other

2. Type of Activity

_____ New Construction
 _____ Acquisition
 _____ Acquisition/Rehabilitation
 _____ Rehabilitation only

3.	<u> </u>	Total number of units	Number of HOME-assisted units	<u> </u>
			Number of HOUSE-assisted units	

4. Are or will all low-income units be of a least equal comparability in terms of construction quality and amenities when compared to non-HOME assisted units of the project?

☐ YES ☐ NO

C. SITE INFORMATION

1. Is the site currently under control of the applicant? ☐ YES ☐ NO
If YES, control is in the form of: ☐ Deed ☐ Option ☐ Sales Contract
Expiration date of contract or option _____
2. Is site properly zoned for the development? ☐ YES ☐ NO
If NO, is site currently in the process of re-zoning? ☐ YES ☐ NO
When is the zoning issue to be resolved? _____ (month/year)
3. Are all necessary utilities presently available at the site? ☐ YES ☐ NO
If NO, which utilities need to be brought to the site?

D. RELOCATION INFORMATION

Does this project propose any relocation of tenants? ☐ YES ☐ NO

If YES, STOP. You must notify THDA PRIOR to submitting the application.

E. MAXIMUM HOME SUBSIDY

1. Maximum HOME subsidy possible:
- | | | | | | | |
|--------------------|-----------|---|-------|-------|---|----------|
| 0 BR | \$ 47,890 | x | _____ | units | = | \$ _____ |
| 1 BR | \$ 54,897 | x | _____ | units | = | \$ _____ |
| 2 BR | \$ 66,755 | x | _____ | units | = | \$ _____ |
| 3 BR | \$ 86,358 | x | _____ | units | = | \$ _____ |
| 4 BR | \$ 94,795 | x | _____ | units | = | \$ _____ |
| Total HOME subsidy | | | | | | \$ _____ |
2. Total HOME subsidy or maximum of \$500,000: \$ _____

F. SOURCE OF FUNDS *(Commitment letters must be attached)*

1. Amount of contribution
- | | | |
|----|------------------------|----------|
| a. | Mortgage Proceeds | \$ _____ |
| b. | Syndication Proceeds | \$ _____ |
| c. | Equity Contributions | \$ _____ |
| d. | Federal Funds | \$ _____ |
| e. | State Funds | \$ _____ |
| f. | Local Government Funds | \$ _____ |
| g. | TOTAL FUNDS | \$ _____ |

PART II: PROJECT FEASIBILITY WORKSHEET

A.	PROJECT COSTS	HOME COSTS	TOTAL COSTS
1.	To Purchase Land & Buildings	\$ _____	\$ _____
2.	Site Work	\$ _____	\$ _____
3.	Rehabilitation & New Construction		
	New Building Hard Costs	\$ _____	\$ _____
	Rehabilitation Hard Costs	\$ _____	\$ _____
	Contractor Overhead	\$ _____	\$ _____
	Contractor Profit	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
4.	Contingency		
	Construction Contingency	\$ XXXXXXXXXXXX	\$ _____
	Subtotal	\$ XXXXXXXXXXXX	\$ _____
5*.	Architectural & Engineering Fees		
	Architect Fee-Design	\$ _____	\$ _____
	Architect Fee-Supervision	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
6.*	Interim Costs		
	Construction Insurance	\$ XXXXXXXXXXXX	\$ _____
	Construction Interest	\$ XXXXXXXXXXXX	\$ _____
	Construction Loan Origin	\$ _____	\$ _____
	Construction Loan Credit		
	Enhancement	\$ _____	\$ _____
	Taxes	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
7.*	Financing Fees and Expenses		
	Bond Premium	\$ _____	\$ _____
	Credit Report	\$ _____	\$ _____
	Permanent Loan Origin fee	\$ _____	\$ _____
	Perm Loan Credit Enhance	\$ _____	\$ _____
	Cost of Issue/Underwriter	\$ _____	\$ _____
	Title and Recording	\$ _____	\$ _____
	Counsel's Fee	\$ _____	\$ _____
	Subtotal	\$ _____	\$ _____
8.*	Soft Costs		
	Property Appraisal	\$ _____	\$ _____
	Market Study	\$ _____	\$ _____
	Environmental Study	\$ XXXXXXXXXXXX	\$ _____
	Rent-Up	\$ XXXXXXXXXXXX	\$ _____
	Relocation Costs	\$ _____	\$ _____
	Affirmative Marketing Activities	\$ XXXXXXXXXXXX	\$ _____
	Subtotal	\$ _____	\$ _____
9.	Initial Operating Reserves	\$ XXXXXXXXXXXX	\$ _____
10.	TOTAL DEVELOPMENT COSTS	\$ _____	\$ _____

**If the total of project costs from Sections A5, A6, A7 and A8 exceed 12% of Total Development Costs (A10), you must provide written justification.*

B. MONTHLY UTILITY ALLOWANCE CALCULATIONS*(If utilities are paid by tenants)*

UTILITY TYPE	ALLOWANCE AMOUNT				
	0 BR	1 BR	2 BR	3 BR	4 BR
Heating					
Air Conditioning					
Cooking					
Lighting					
Water					
Sewer					
Trash					
TOTAL ALLOWANCE					

SOURCE OF UTILITY AMOUNTS: ☐ THDA ☐ Local PHA ☐ Other _____

C. MAXIMUM HOME RENTS *(See Attachment V: 1998 HOME Program Rents)*

RENT	0 BR	1 BR	2 BR	3 BR	4 BR
High HOME Rent					
Low HOME Rent					
Utility Allowance (UA)					
Net High HOME Rent (High Rent less UA)					
Net Low HOME Rent (Low Rent less UA)					

D. PROPERTY INCOME CALCULATIONS

If charging less than allowable net rents, you must attach a written justification.

- | | | | | |
|----|---|-----------------------|--------------------------|----------|
| 1. | 0 Bedroom | _____ # units x _____ | monthly high rent | \$ _____ |
| | 0 Bedroom | _____ # units x _____ | monthly low rent | \$ _____ |
| 2. | 1 Bedroom | _____ # units x _____ | monthly high rent | \$ _____ |
| | 1 Bedroom | _____ # units x _____ | monthly low rent | \$ _____ |
| 3. | 2 Bedroom | _____ # units x _____ | monthly high rent | \$ _____ |
| | 2 Bedroom | _____ # units x _____ | monthly low rent | \$ _____ |
| 4. | 3 Bedroom | _____ # units x _____ | monthly high rent | \$ _____ |
| | 3 Bedroom | _____ # units x _____ | monthly low rent | \$ _____ |
| 5. | 4 Bedroom | _____ # units x _____ | monthly high rent | \$ _____ |
| | 4 bedroom | _____ # units x _____ | monthly low rent | \$ _____ |
| 6. | Total monthly income (E1 + E2 + E3 + E4 + E5) | | | \$ _____ |
| 7. | Less vacancy allowance _____ % | | | \$ _____ |

If the estimated vacancy allowance exceeds 10%, attach a written justification.

- | | | |
|-----|---------------------------------------|----------|
| 8. | Other income (List) _____ | \$ _____ |
| 9. | Net monthly income (E6 - E7 + E8) | \$ _____ |
| 10. | Total annual project income (E9 x 12) | \$ _____ |

E. PROJECT OPERATING EXPENSES

- | | | |
|-----|---|----------|
| 1. | Management | \$ _____ |
| 2. | Utility | \$ _____ |
| 3. | Water/Sewer | \$ _____ |
| 4. | Trash Removal | \$ _____ |
| 5. | Payroll/Payroll Taxes | \$ _____ |
| 6. | Insurance | \$ _____ |
| 7. | Real Estate Taxes | \$ _____ |
| 8. | Maintenance | \$ _____ |
| 9. | Compliance Reporting | \$ _____ |
| 10. | Other | \$ _____ |
| 11. | Total Annual Operating Expenses
(F1 + F2 + F3 + F4 + F5 + F6 + F7 + F8 + F9 + F10) | \$ _____ |

If "Annual Operating Expenses" (F11) exceeds 50% of "Total Annual Income" (E10), you must attach a written justification.

F. ANNUAL REPLACEMENT RESERVES FOR UNITS \$_____

If Annual Replacement for Reserves exceeds \$200 per unit per year, you must attach a written justification.

G. TOTAL AVAILABLE FOR DEBT SERVICE

1. Annual Project Income (E10) \$_____
2. Less Annual Operating Expenses (F11) \$_____
3. Less Annual Replacement Reserves (G) \$_____
4. Total available for debt service (H1 - H2 - H3) \$_____

H. DEBT PROJECT WILL SUPPORT *(This section should be completed with your Lender)*

1. Total available for debt service (H4) \$_____
2. Debt Service Coverage Ratio Required from Lender _____ %
(Percentage of net income from the project the lender will consider available to pay debt)
If this ratio exceeds 125%, your lender must attach a written justification.
2. Actual Amount Available for Debt Service \$_____
(Total available for debt service divided by debt service ratio)
3. Specifics of Debt
 - a. Interest Rate _____ %
If the interest rate exceeds 10%, your lender must attach a written justification.
 - b. Amortization Term _____ Years
If the amortization term is less than 15 years, your lender must attach a written justification.
4. Debt project will support (should agree with TOTAL SOURCE OF FUNDS (Part I: F1g) on page 2) \$_____

I. FEASIBILITY SUMMARY

1. **Total Development Costs** (Part II: A10) \$_____
2. **Total Funding Sources**
 - a. Debt Project will Support (I4) \$_____
 - b. Owner's Equity Contribution (including syndication proceeds) \$_____
 - c. Other Grants \$_____
 - d. Total Funding \$_____
3. **The Gap**
 - a. Total Development Costs less Total Funding (I(1) – I(2)(d)) \$_____
 - b. HOME/HOUSE Award \$_____
 - c. Balance to be funded by Owner (I(3)(a) – I(3)(b)) \$_____

J. MANAGEMENT AND MARKETING.

1. For single developments of over 10 units, you agree that should your proposal be accepted by THDA that you will produce a market analysis to determine the marketability of the development in a form acceptable to THDA.
2. For single developments of over 10 units, you agree that should your proposal be accepted by THDA that you will formulate a plan for the management of the development once completed in a form acceptable to THDA.

The undersigned hereby certifies that the information set forth in this form, and in any attachment in support thereof, is true, correct and complete. If additional sources of federal funds become available, THDA will be notified immediately. The undersigned also certifies that they are aware that providing false information can subject the individual signing to criminal sanctions up to and including a Class B Felony.

APPLICANT: _____

BY: _____

DATE: _____

RENTAL HOUSING APPLICATION

This is a preliminary application for apartment at _____. It holds no lease or rent obligations. All information will be verified by the management prior to an applicant being placed on our waiting list for consideration. All applicants must meet established selection criteria.

Date: _____

A. PERSONAL INFORMATION

Head of Household: _____ Age: _____

Social Security Number: _____

Address: _____ Phone: _____

City: _____ State: _____ Zip: _____

Marital Status: ☐ Single ☐ Married ☐ Divorced ☐ Widow/Widower

Name of Spouse: _____ Age: _____

Social Security Number: _____

All persons living with you	Relationship	Age	Sex	Social Security #
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Are either you or your spouse handicapped or disabled? ☐ YES ☐ NO
If YES, what is the nature of the condition? _____

Have you ever been convicted of a misdemeanor or felony? ☐ YES ☐ NO
If YES, please explain _____

Whom should we contact in an emergency?

Name: _____ Phone: _____

B. PRESENT HOUSING INFORMATION

How long have you lived at your present address? _____

If you presently rent, how much is your rent? \$_____ per _____

Landlord's Name: _____ Phone: _____

Address: _____

C. EMPLOYMENT AND INCOME INFORMATION

Employer: _____ Phone: _____

Address: _____

Your Supervisor: _____

Pay: _____ per _____ Hours per Week: _____

Length of Employment: _____

Spouse's Employer: _____ Phone: _____

Address: _____

Supervisor: _____

Pay: _____ per _____ Hours per Week: _____

Length of Employment: _____

If spouse employed less than one (1) full year, give previous employer information:

Employer: _____ Phone: _____

Address: _____

List any other income you receive below:

Social Security: \$_____ SSI \$_____

AFDC \$_____ Worker's Comp \$_____

Child Support \$_____ Food Stamps \$_____

Unemployment \$_____

Other (Specify) _____ \$_____

D. ASSETS (Other than household items and automobile)

Do you have a checking account at any bank? ☐ YES ☐ NO

If YES, give name of bank(s) _____

Do you have a savings account at any bank: ☐ YES ☐ NO

If YES, give name of bank(s) _____

FAMILY MEMBER	ASSET DESCRIPTION	CURRENT MARKET VALUE	INCOME FROM ASSETS
Total Net Family Assets		a.	
Total Actual Asset Income			b.
If line (a) is greater than \$5,000, multiply (a) by _____ (passbook rate) and enter result here; otherwise, leave blank			c.

E. FAMILY INCOME CALCULATION

- Number in Household _____
- Income Limits for _____ County dated _____
LMI Maximum _____ VLI Maximum _____
- Payment Frequency
☐ Hourly (hourly rate x number of hours per week)
☐ Weekly (weekly salary x 52 weeks per year)
☐ Bi-monthly (24 times per year)
☐ Every two weeks (26 times per year)
☐ Monthly
- Show income calculation to convert to annual gross income.

Example: Mr. Jones is paid \$5.00/hour and works 32 hours/week $\$5.00 \times 32 = \$160 \times 52 \text{ weeks} = \$8,320$
annual income

5. SUMMARY OF INCOME DATA

FAMILY MEMBER	WAGES SALARIES	BENEFITS PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	TOTALS
TOTALS					

Asset Income - Enter greater of lines 5(b) or 5 (c) above \$ _____

Total Anticipated Income \$ _____

ANNUAL INCOME - Anticipate Income plus Asset Income \$ _____

F. DEBTS

List all current debts, including loans, credit purchases, credit cards, hospital/doctor bills, etc. Attach a separate sheet if necessary.

COMPANY/LENDER	AMOUNT OWED	PAYMENT	FREQUENCY
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If you have ever failed to pay a debt, had a foreclosure, taken bankruptcy, or had a judgement against you for debt, attach a separate sheet of paper explaining the details.

G. REFERENCES

List three (3) people not related to you by blood or marriage whom we may contact as references

NAME	ADDRESS	TELEPHONE

H. CERTIFICATION AND AGREEMENT

I certify that all the information above is complete, correct and true to the best of my knowledge. I understand that false or misleading information may result in the rejection of my application. I also understand that completion of this application in no way guarantees me that I receive rental housing. Further, I give permission to check any and all information and/or references contained herein, including but not limited to employers and landlords; and further, I also give permission to check my credit rating and the credit information contained herein either directly or through a credit reporting agency.

Applicant _____ Date: _____

Co-Applicant

Date: _____

RETURN COMPLETED APPLICATION AND ATTACHMENTS TO:

[illegible]

Prior Residence Check: _____

Credit Check _____

Reference Check: _____

Police Check: _____

Disposition: Approved/Date: _____ Disapproved/Date: _____
Notified Date: _____

Date: _____

Manager's Signature

HOME Program Eligibility Release Form

Organization requesting release of information
(Name, Address, Telephone and Date)

Purpose: Your signature on this HOME Program Eligibility Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

HOME Homeownership Program
HOME Rental Rehabilitation Program
HOME Homeowner Rehabilitation Program
HOME Rental New Construction Program

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

Head of Household – Signature, Printed Name and Date Family Member HEAD
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #3
X

Information Covered: Inquiries may be made about items initiated by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Federal Preferences		
Other Preferences		
Other (list)		
Dependent Deduction ____ Full-Time Student ____ Handicap/Disabled Family Member ____ Minor Children		

Authorization: I authorize the above-named HOME Grantee and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the owner in this process.

Other Adult Member of Household – Signature, Printed Name and Date Family Member #2
X
Other Adult Member of the Household – Signature, Printed Name and Date Family Member #4
X

VERIFICATION OF ASSETS ON DEPOSIT

(Name of HOME Participating Jurisdiction) _____	Checking Account #	Average Monthly Balance for Last 6 Months	Current Interest Rate	
AUTHORIZATION: Federal Regulations require us to verify income from Assets of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.	Savings Accounts #	Current Balance	Current Interest Rate	
	Certificate of Deposit Account #	Amount	Withdrawal Penalty	Current Interest Rate
	IRA, Keogh, Retirement Accounts			
Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed	Account #	Amount	Withdrawal Penalty	Current Interest Rate
	Money Market Funds	Amount (Average 6 month Balance)	Interest Rate	
Release: I hereby authorize the release of the requested information _____ (Signature of Applicant)	Signature of _____ or Authorized Representative_____. Title: Date: Telephone			
WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.				

VERIFICATION OF EMPLOYMENT

<p>(Name of HOME Participating Jurisdiction)</p> <p>_____</p>	<p>Employed since: _____ Occupation: _____</p> <p>Salary: _____ Effective date of last increase: _____</p> <p>Base pay rate:</p> <p>\$ _____/hour or \$ _____/week or \$ _____/month</p> <p>Average hours/week at base pay rate: _____ Hours</p> <p>No. Weeks ____ or No. Weeks _____ worked per year</p> <p>Overtime pay rate: \$ _____/hour</p> <p>Expected average number of hours overtime worked per week during next 12 months: _____</p> <p>Any other compensation not included above (specify for commissions, bonuses, tips, etc.):</p> <p>For: _____ \$ _____ per _____</p> <p>Is pay received for vacation? ____ No. of days/year _____</p> <p>Total base pay earnings for past 12 mos. \$ _____</p> <p>Total overtime earnings for past 12 mos. \$ _____</p> <p>Probability and expected date of any pay increase: _____</p> <p>Does employee have access to a retirement account? Yes _____ No _____</p> <p style="text-align: center;">If Yes, what amount can they get access to</p> <p style="text-align: center;">\$ _____</p>
<p>Release: I hereby authorize the release of the requested information</p> <p>_____</p> <p>_____ (Signature of Applicant)</p>	<p>Signature of _____ or</p> <p>Authorized Representative _____.</p> <p>Title:</p> <p>Date:</p> <p>Telephone</p>
<p>WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

APPLICANT CHECKLIST

PLEASE BRING:

1. Copies of the pay check stubs from the past two months or eligibility letters from social security or the Department of Human Services, or other verification of income.
2. A copy of your income tax form (1040, 1040EZ, etc.) for _____ year.
3. Copies of social security cards for all households members.
4. Copies of birth certificates for children, or written explanation of why birth certificates are unavailable.
5. Bank statements for the past three months.
6. Rent receipts or other verification of rent.
7. Other information or documents listed below:

SECURITY DEPOSIT INSTALLMENT PAYMENT AGREEMENT

Tenant: _____

Unit: _____

THIS AGREEMENT entered into on the _____ day of _____, 19____, between _____ hereinafter called the LANDLORD and _____ hereinafter called the TENANT.

Pursuant to the terms and conditions of the lease agreement executed between the LANDLORD and TENANT, it is hereby understood between the LANDLORD and TENANT that the Security Deposit for the above stated dwelling unit, as stated in the Lease Agreement executed by the LANDLORD and TENANT on _____ shall be paid by the TENANT to the LANDLORD as stated below:

Total Security Deposit \$_____

Amount to be paid upon
Signing of the Lease \$_____

Balance to be paid in _____ installments of \$_____ each, beginning on _____ and each _____ thereafter until paid in full.

Landlord Date: _____

Tenant Date: _____

<p align="center">DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS</p>
--

LEAD WARNING STATEMENT:

Housing build before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure:

- a. Presence of lead-based paint and/or lead-based paint hazards (Check (i) or (ii) below):
- i. ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing. Explain.
- _____
- ii. ☐ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- b. Records and reports available to Lessor (Check (i) or (ii) below):
- i. ☐ Lessor has provided the Lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing. (List documents below.)
- _____
- ii. ☐ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgement: (Initial)

- c. _____ Lessee has received copies of all information listed above.
- d. _____ Lessee has received the pamphlet Protect Your Family From Lead In Your HOME.

Certification of Accuracy:

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Lessor

Date

Lessee

Date

LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this _____ day of _____, 19____ by and between _____ (LANDLORD) whose business address is _____ and _____ (TENANT) for the _____ bedroom dwelling located at _____.

THE HOUSEHOLD consists of the following members:

	Age		relationship	
	Age		relationship	
	Age		relationship	
	Age		relationship	
	Age		relationship	
	Age		relationship	

1. TENANT ELIGIBILITY

The acquisition and/or rehabilitation of this rental property was financed in part by a federal grant from the U.S. Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships Program (HOME) administered by the Tennessee Housing Development Agency (THDA). Pursuant to LANDLORD's Working Agreement with THDA, the LANDLORD has agreed to limit occupancy to eligible low-income tenants as defined by HUD. Such income limitations are based on a percentage of area median income adjusted for household size and are adjusted annually by HUD.

The TENANT hereby certifies that household size has been accurately represented above and that all household income has been disclosed to LANDLORD in the Rental Application, which is part of this lease, for purposes of determining tenant eligibility under HOME.

2. TERM OF LEASE

The term of this lease shall be for one year and shall begin on the ____ day of _____, 19____, and shall continue until (1) a termination of this lease by the LANDLORD in accordance with provisions herein; (2) a termination of this lease by the TENANT in accordance with provisions herein; (3) termination of this lease by mutual agreement of the parties hereto; or (4) the ____ day of _____ of 19____.

3. RENTS

The TENANT shall pay a monthly rent of \$_____ per month for the twelve-month rental period under this lease. Upon annual renewal of this lease, rents may be adjusted in accordance with the federal and state regulations of the HOME Program.

The first month's rent (or prorated partial month's rent) in the amount of \$_____ is payable upon entering into this lease. Thereafter, full monthly rent is due on the first day of each month. Rent is considered LATE if payment is not received on or before the 5th day of the month (or the first regular business day following the 5th), at which time an additional LATE FEE of \$10.00 will be payable, plus an additional charge of \$1.00 per day will be added thereafter. Provided, however, that such LATE FEE shall not exceed ten percent (10%) of the amount of rent past due. A check returned for any reason shall be considered non-payment of rent and the late fee provision shall apply.

4. LEASE RENEWAL

The TENANT shall give the LANDLORD thirty (30) days written notice of their desire to extend the term of this lease. TENANT understands that annual renewal of this lease will require recertification of TENANT's household income for the purpose of determining TENANT's continuing eligibility. The TENANT will timely supply all required information on household income and composition, or other eligibility factors of the tenant household.

Should TENANT remain eligible under the HOME guidelines, if mutually agreeable to both parties, TENANT and LANDLORD will enter into a new Lease Agreement for a term of one year.

Should the Tenant's household income change during their occupancy resulting in income which is higher than the HOME income limitations, the TENANT will not be required to vacate the dwelling unit. However, the TENANT will be required to enter into a new Lease Agreement for a term of one year and will be required to pay a higher monthly rent which may be equal to the lesser of (a) 30% of their Gross Income less the appropriate Utility Allowance as determined by the local Public Housing Authority or (b) the maximum rent allowable under state and local law. Such rent will be set forth in the new Lease Agreement.

5. SECURITY DEPOSIT

The TENANT has deposited with the LANDLORD an initial security deposit of \$_____ and agrees to deposit an additional \$_____ in equal monthly installments of \$_____ beginning on _____ and continuing until a total Security Deposit of \$_____ has been deposited with the LANDLORD.

The LANDLORD will hold the Security Deposit during the period the TENANT occupies the dwelling unit under this lease, and shall comply with state and local laws regarding interest payments on Security Deposits.

After the TENANT has moved from the dwelling unit, the LANDLORD may (subject to state and local laws) use the Security Deposit, including any interest on the Deposit, as reimbursement for any unpaid rent or any repairs necessitated by action or neglect of the TENANT or for any other amounts with the TENANT owes under this lease. After the TENANT has vacated the unit, the LANDLORD shall inspect the unit and complete a Move-Out Inspection Report, which shall be the basis for any charge

against the Security Deposit. The LANDLORD will give the TENANT a copy of the Move-Out Inspection Report listing all items charged against the Security Deposit and the amount of each item. After deducting the amount used as reimbursement to the LANDLORD, the LANDLORD shall promptly refund the full amount of the balance, if any, to the TENANT.

6. UTILITIES

The LANDLORD shall provide the utilities checked in Column A below without any additional cost to the TENANT. The utilities checked in Column B are not included in the Contract Rent, and are to be paid by the TENANT, including any required deposits.

TYPE OF UTILITY	COLUMN A PAID BY LANDLORD	COLUMN B PAID BY TENANT
Electricity	<input type="checkbox"/>	<input type="checkbox"/>
Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>
Propane or other Heating Fuel	<input type="checkbox"/>	<input type="checkbox"/>
Hot Water	<input type="checkbox"/>	<input type="checkbox"/>
Cold Water	<input type="checkbox"/>	<input type="checkbox"/>
Sewer	<input type="checkbox"/>	<input type="checkbox"/>
Garbage Collection	<input type="checkbox"/>	<input type="checkbox"/>
Telephone	<input type="checkbox"/>	<input type="checkbox"/>
Cable Television	<input type="checkbox"/>	<input type="checkbox"/>
Other (Specify)	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>

The TENANT agrees not to waste utilities furnished by the LANDLORD; not to use utilities or equipment for any improper or unauthorized purpose.

7. APPLIANCES/EQUIPMENT

The LANDLORD shall provide the following appliances and equipment:

Range	<input type="checkbox"/>	Other (Specify)	
Refrigerator	<input type="checkbox"/>	_____	<input type="checkbox"/>
Dishwasher	<input type="checkbox"/>	_____	<input type="checkbox"/>
Washer/Dryer	<input type="checkbox"/>	_____	<input type="checkbox"/>
Garbage Disposal	<input type="checkbox"/>	_____	<input type="checkbox"/>

TENANT may not install additional appliances and equipment without the prior written consent of the LANDLORD.

8. MAINTENANCE

TENANT RESPONSIBILITIES:

The TENANT shall be responsible for the ordinary care and cleaning of the dwelling unit and any appliances provided, and shall keep the dwelling and appliances in a clean and sanitary condition and otherwise comply with all state and local laws requiring TENANTS to maintain rented premises. TENANT shall use all appliances, fixtures, and equipment in a safe manner and only for the purposes for which they are intended. If damage to the dwelling unit or appliances (other than normal wear and tear) is caused by acts of or neglect by the TENANT or other occupying the premises with the TENANT's permission, TENANT, upon agreement with the LANDLORD, shall repair such damage at the TENANT's own expense. If (a) TENANT fails to make agreed upon repairs, or (b) LANDLORD agrees to make repairs, the LANDLORD may cause such repairs to be made and TENANT shall be liable to LANDLORD for any reasonable expense thereby incurred by the LANDLORD.

The TENANT shall not permit any trash or junk to accumulate in the dwelling unit or on the grounds thereof. No inoperable automobiles, or other junk, shall be permitted to remain on the grounds of the dwelling unit except with the written permission of the LANDLORD.

The TENANT shall not make any alterations to the dwelling unit, appliances, fixtures and equipment without the prior written consent of the LANDLORD.

The TENANT shall not install additional or different locks on any doors or windows of the dwelling unit without the prior written consent of the LANDLORD. If the LANDLORD approves the TENANT's request to install such locks, the TENANT agrees to provide the LANDLORD with a key for each lock.

The TENANT shall give the LANDLORD prompt notice of any defects in the plumbing, fixtures, appliances, heating and cooling equipment or any other part of the unit or related facilities.

LANDLORD RESPONSIBILITIES:

The LANDLORD shall provide for the general preventive maintenance and repair of the dwelling unit and of all appliances owned by the LANDLORD. The LANDLORD shall maintain the dwelling unit to provide decent, safe and sanitary housing in accordance with Section 8 Housing Quality Standards and all relevant local building codes.

The LANDLORD shall provide pest extermination services, as conditions require.

The LANDLORD shall arrange for collection and removal of trash and garbage.

The LANDLORD shall provide repainting, as conditions require.

The LANDLORD shall mow the lawn and provide general maintenance and upkeep of the common area grounds.

9. TERMINATION OF TENANCY

The LANDLORD may not terminate this lease except for (a) serious and repeated violations of the terms and conditions of this lease; (b) violation of federal, state or local law which imposes obligations on a Tenant in connection with the occupancy or use of the dwelling unit and surrounding premises; or (c) Other Good Cause.

Any termination of this lease by the LANDLORD shall be preceded by thirty (30) days advance written notice to the TENANT specifying the grounds for said termination.

The LANDLORD may evict the TENANT only by due legal process as provided in state or local law.

10. TERMINATION OF LEASE BY TENANT

The TENANT may terminate this lease without cause at any time after the first year of occupancy of the HOME-assisted dwelling unit upon sixty (60) days written notice by the TENANT to the LANDLORD.

11. NOTICES

Any notice or notices required under this lease may be combined with and run concurrently with any notice or notices required under state and local law.

Any notice by LANDLORD to TENANT or by TENANT to LANDLORD will be delivered to the respective address of each as stated in the first paragraph of this lease.

12. DISCRIMINATION

The LANDLORD shall not discriminate against the TENANT in the provision of services, or in any other manner, on the grounds of age, race, color, creed, religion, sex, handicap, or national origin.

13. INSPECTION OF THE DWELLING UNIT

The LANDLORD's AGENT may enter the dwelling unit only for the following purposes: (1) to inspect to see that the TENANT is complying with this lease; (2) to make repairs; (3) to exhibit the unit to prospective purchasers, mortgagees, tenants, and/or workmen; or (4) to respond to an emergency such as a fire. The TENANT shall not unreasonably withhold consent to the LANDLORD to enter for such purposes. However, the LANDLORD shall, except in an emergency such as a fire, give the TENANT at least twenty-four (24) hours notice of intent to enter the dwelling, and may then enter only at a reasonable time. The TENANT may, solely at his/her discretion, permit the LANDLORD to enter the dwelling unit without said notice. In the case of an emergency, the LANDLORD shall, within two (2) days thereafter, notify the TENANT of the date, time, purpose and result of such entry.

14. INSURANCE

The LANDLORD is not responsible for, and will not provide, fire or casualty insurance for the TENANT's personal property.

15. OCCUPANCY OF THE DWELLING UNIT

The TENANT must live in the dwelling unit and the unit must be the TENANT's only place of residence. The TENANT shall use the premises only as a private dwelling for himself/herself and the individuals listed above.

The TENANT will notify the LANDLORD of the time period and purpose on any extended absences from the dwelling unit (more than thirty (30) days). Should it be determined by LANDLORD that the dwelling unit is no longer a primary residence, tenancy may be terminated so that other eligible households with greater need may be provided affordable housing.

The TENANT agrees not to assign this lease, not to sublet or transfer possession of the premises, nor to give accommodation to boarders or lodgers without the written consent of the LANDLORD. The TENANT further agrees not to use or permit the use of the dwelling unit for any purpose other than as a private dwelling unit solely for the TENANT and his/her family and/or dependents. This provision does not apply to reasonable accommodations of the TENANT's guests or visitors whose stay is less than thirty (30) days.

The dwelling unit may not be used on a regular basis for licensed or unlicensed/paid or unpaid care for children who are not members of the TENANT's household.

16. NOISE

The TENANT agrees not to allow on the premises any excessive noise or other activity which materially disturbs the peace and quiet of other residents in the neighborhood.

17. PETS (☐ APPLICABLE ☐ NOT APPLICABLE)

The TENANT shall be permitted to keep common household pets in his/her dwelling unit, subject to, and upon the terms and conditions set forth in the Pet Rules which is a part of this lease.

The TENANT hereby agrees to comply with all Pet Rules and any subsequent amendments or additions thereto.

The TENANT acknowledges and agrees that a violation of the Pet Rules may be grounds for removal of the pet or termination of tenancy, or both, in accordance with the lease and all applicable federal, state and local laws and regulations.

In addition to any other right of inspection permitted under this lease, the LANDLORD may, after reasonable notice to TENANT, and during reasonable hours, enter and inspect the dwelling unit if the LANDLORD has reasonable grounds to believe or has received a signed, written complaint alleging that the conduct or condition of a pet in TENANT's dwelling unit constitutes, under applicable state or federal law, a nuisance or a threat to the health or safety of the other residents or other persons in the community.

18. CONDITION OF THE DWELLING UNIT

By signing this lease, the TENANT acknowledges that the dwelling unit is safe, clean and in good condition. The TENANT agrees that all appliances and equipment in the unit are in good working order, except as described in the Move-In Inspection Report which is part of this lease. The TENANT also

agrees that the LANDLORD has made no promises to decorate, alter, repair or improve the dwelling unit, except as listed on the Move-In Inspection Report. The TENANT further agrees that at the end of occupancy to surrender the dwelling unit in as good condition as when received, reasonable wear and tear excepted.

19. HAZARDS

The TENANT shall not undertake, or permit his/her family or guests to undertake any hazardous acts or do anything that will increase the project's insurance premiums.

If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in and the damage is not caused or made worse by the TENANT, the TENANT will be responsible for rent payments only up to the date of destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

20. PROHIBITED LEASE PROVISIONS

Notwithstanding anything to the contrary contained in this lease, any provision of this lease which falls within the classification below shall be inapplicable:

- A. **AGREEMENT TO BE SUED.** Agreement by the TENANT to be sued, to admit guilt, or a judgement in favor of the LANDLORD in a lawsuit brought in connection with this lease.
- B. **TREATMENT OF PROPERTY.** Agreement by the TENANT that the LANDLORD may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the TENANT concerning disposition of personal property remaining in the dwelling unit after the tenant has moved out of the unit. The LANDLORD may dispose of this personal property in accordance with state law.
- C. **EXCUSING LANDLORD FROM RESPONSIBILITY.** Agreement by the TENANT not to hold the LANDLORD or LANDLORD'S AGENTS legally responsible for any action or failure to act, whether intentional or negligent.
- D. **WAIVER OF NOTICE.** Agreement of the TENANT that the LANDLORD may institute a lawsuit without notice to the TENANT.
- E. **WAIVER OF LEGAL PROCEEDINGS.** Agreement by the TENANT that the LANDLORD may evict the TENANT (1) without instituting a civil court proceeding in which the TENANT has the opportunity to present a defense, or (2) before a decision by a court on the rights of the parties.
- F. **WAIVER OF JURY TRIAL.** Agreement by the TENANT to waive any right to a trial by jury.
- G. **WAIVER OF RIGHT TO APPEAL COURT DECISION.** Agreement by the TENANT to waive the TENANT's right to appeal, or to otherwise challenge in court, a court decision in connection with this lease.
- H. **TENANT CHARGEABLE WITH COST OF LEGAL ACTIONS REGARDLESS OF OUTCOME.** Agreement by the TENANT to pay attorney's fees or other legal costs even if the TENANT

wins in a court proceeding by the owner against the TENANT. The TENANT, however, may be obligated to pay costs if the TENANT loses.

21. LANDLORD TENANT ACT

This lease is in conformance with the Uniform Residential Landlord and Tenant Act, Tennessee Code Annotated 66-28-011 through 66-28-517.

22. CHANGES

This lease, together with any future adjustments of rent, evidences the entire agreement between the LANDLORD and TENANT. No change herein shall be made except in writing, signed and dated by both parties hereto.

TENANT acknowledges that he/she has read and understands this lease, the Rental Application, and all other agreements, which are a part of this lease.

IN WITNESS WHEREOF, the parties hereto have, by their duly appointed representatives set forth their signatures:

TENANT:

1.	_____ Signature	_____ Date
2.	_____ Signature	_____ Date
3.	_____ Signature	_____ Date

LANDLORD:

BY:	_____ Signature	_____ Date
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Print or Type Name and Title of Signatory

INITIAL OCCUPANCY PROFILE *

GRANTEE: _____

OWNER: _____

DATE PREPARED: _____

PROPERTY ADDRESS	# OF BDRM	TENANT	INITIAL INCOME CERTIFICATION DATE	INITIAL ANNUAL GROSS INCOME	SIZE OF HHOLD	LOWER INCOME PERCENTAGE				UTILITY ALLOW (UA)	MAXIMUM MONTHLY HOME RENTS LESS UA		ACTUAL RENTS
						<30 %AMI	<50 %AMI	<60 %AMI	<80 %AMI		HIGH	LOW	

- Initial Occupancy Profile of the first tenants in the unit when the acquisition and/or rehabilitation is completed.

SUBRECIPIENT WORKING AGREEMENT

This Working Agreement, by and between the _____, hereinafter referred to as the Grantor, and _____, hereinafter referred to as the Property Owner, is for the purpose of providing decent, safe, sanitary and affordable rental housing for low income residents of _____ in Tennessee through the federally-funded HOME program. The Grantor is a recipient of HOME funds from the Tennessee Housing Development Agency (THDA) and the Property Owner is a subrecipient of the HOME funds from the Grantor.

The Grantor has provided the Property Owner HOME funds in the amount of \$_____ for the rehabilitation rental property owned by the Property Owner at _____. In return for the HOME funds, the Property Owner must maintain the rental units in compliance with HOME regulations for a period of _____ (____) years from the date of completion of the rehabilitation of the unit(s). Failure of the Property Owner to maintain the units in compliance with HOME regulations will require the repayment of the HOME funds to the Grantor.

HOME PROGRAM REQUIREMENTS:

The Grantor will provide each Property Owner with the following:

- 1 A copy of the Rental Housing Policies and Procedures adopted by the Grantor for the operation of its rental housing program.
- 2 The income limits and HOME rents applicable to the specific county in which the rental property is located. The income limits and HOME rents are updated on a yearly basis, and the Grantor will provide the new limits to the Property Owner.
- 3 The utility allowance published by THDA or the local public housing authority (PHA) for the specific county in which the property is located and for the type of rental housing (apartment, single-family, trailer). The utility allowances are updated on a yearly basis and the Grantor will provide the new limits to the Property Owner.
- 4 A copy of pages 11-1 through 11-14 of *Chapter 11 - Rental Housing* from THDA's HOME Operations Manual. This Chapter is being provided for informational purposes and to allow the Property Owner to view compliance issues first hand.
- 5 A sample customer questionnaire or application for rental housing, a request for verification of employment, the *Fair Housing: It's Your Right* pamphlet, and the *Protect Your Family from Lead in Your Home* pamphlet.
- 6 A sample lease agreement and addendum with the required tenant lease protections.

For long-term compliance, the Property Owner will provide the Grantor with the following for each unit rehabilitated with HOME funds:

1. An application filled out and signed by the tenant. This document must show personal data, including names of all persons, including minors, who will be residing in the unit, marital status, current employment, and all income and assets for all household members, including minors. The unit size for which the household is applying must be appropriate to the size of the household. (A sample application is provided.)
2. Receipts signed by the tenant that they have received the Fair Housing pamphlet and the lead paint pamphlet at the time of application.
3. Income verification for all household members. This can be the verification of employment form provided by the Grantor, copies of checks for Social Security, Supplemental Security Income, AFDC or other social support income received by household members, notarized statements of no income, copies of the most recent income tax returns, or any other documentation showing gross household income. These documents must be dated within 6 months of the application or the yearly recertification of annual income.
4. The HOME rents must be confirmed by Grantor personnel prior to signing a lease. These are based upon the current HOME rents for the specific county in which the rental property is located less the applicable utility allowance for tenant paid utilities.
5. A copy of the signed lease between the Property Owner and the tenant that shows all persons, including minors, residing in the unit and the number of bedrooms in the unit. The lease must include the tenant protections required by the HOME program. (A sample lease is provided).
6. Rental units that are constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion. In the absence of a local code, HOME-assisted new construction must meet the Standard Building Code and HOME-assisted rental rehabilitation must meet the Standard Housing Code. The Property Owner must maintain the HOME-assisted units in compliance with the applicable codes throughout the _____year compliance period. The GRANTOR will conduct an annual housing quality standard inspection (HQS) after initial rent up to insure that the unit is being maintained in compliance with HOME regulations.

The Property Owner understands that by signing this document, as well as previous contractual documents, that he/she is obligated to comply with HOME regulations in return for the grant funds awarded to them. Failure to comply with previous contractual documents or with this Working Agreement will require the repayment of the HOME funds used to rehabilitate this unit.

AGREED TO AS WRITTEN:

Grantor: _____

Property Owner: _____

BY: _____

BY: _____

Date: _____

Date: _____